

DISTRIBUTION AND WAREHOUSING



The Business Paper of the Warehouse Industry

Volume 28

NEW YORK, JUNE, 1929

No. 6

National Chamber Urges Congress to Provide for Distribution Studies

*Business Group at Washington Convention Adopts Resolution
Asking for "More Adequate Appropriations"—Credit Situa-
tion Is Recognized as a "New Problem" and Confidence in
Federal Reserve System Is Expressed*

AMONG the resolutions adopted by the Chamber of Commerce of the United States at its seventeenth annual meeting, in May, was one declaring that Congress should provide "more adequate appropriations" to permit the Division of Domestic Commerce of the Department of Commerce "to undertake detailed cooperative distribution studies with those fields of industry which are interested."

Approval of this memorial followed closely the action of the National Wholesale Conference, also meeting in Washington, recommending establishment, by the Department of Commerce, of a central board of distribution cost studies, "organized, directed and supervised" by the Department. (See page 44.)

At the meeting of the national Chamber's Group VII, which discussed "Mass Merchandising—the Producer,

Distributor and Consumer," E. M. West, associated with Alvin M. Dood, who was formerly manager of the Chamber's Domestic Distribution department, told the assembled merchants that nominations arising out of the National Wholesale Conference had already been made to the Secretary of Commerce as to a membership committee of seventeen, and that—

"In all probability those men will be appointed or their substitutes will be appointed to constitute a committee so that we can find out what it costs us to distribute, because you cannot add an inordinate amount to the manufacturing cost for the privilege of carrying goods from a shipping platform to the public. It just cannot be done without somebody footing the bill."

Mr. West continued:

"**W**E have never known what the volume of any business was for the diversified commodities in any community until we got a distribution census of eleven cities. I acted on the committee that worked on that distribution census. It is very imperfect; the classifications are very ineffective. So far as we have been able to do it, we have clarified them somewhat in anticipation of a national distribution census. . . .

"What we are trying to do in the distribution census contemplated is to give you an idea not only of how many shoes

are to be distributed in a community, but who distribute them most economically and what units of inventory are necessary in relation to the volume of trade, what unit of sales can be economically affected, and until we identify it, until we cease using average costs and do nothing to conceal the wastes, until we identify all the way the elements of cost and eliminate those that do not justify themselves, we will not get anywhere with this problem. . . .

"There is a larger opportunity for saving in this country in the distribu-

tion of goods than there has ever been effected in the improvement of manufacturing that has so astonished the world."

One speaker in the group propounded the question "whether nationally advertised brands are receiving more recognition, or less recognition, in chain stores, than quantity merchandise."

L. D. H. Weld, of the H. K. McCann Co., New York, one of the largest advertising agencies in the country, declared that the tendency among the chain stores during the past ten or fifteen years "has been at least toward the use of nationally

advertised manufactured brands," but that the tendency or general rule of the department stores has been to use their own brands.

J. Frank Grimes, president of the Independent Grocers' Alliance, in competition with the larger chain store systems, declared in the ensuing discussion:

"We are discovering in connection with some nationally advertised articles that they are used as a basis for drawing attention and trade, at terrible prices that squeeze out all the profit and that as a result a resistance is springing up on the part of the wholesaler and retailer who, while they may have to handle it because of the demand, do it reluctantly.

"In every case where a nationally advertised article is handled on a basis where it is possible to get our cost out of it—and when I say cost I mean not the cost of the merchandise but the cost plus a reasonable expense—we are willing to handle it. There is a growing feeling of disregard for those nationally advertised items where you cannot make any money.

"If I were in the mercantile business, I believe I would handle the things, considering quality and everything else, that I could make a little money out of.

"I am inclined to think, from our observation of some of the chains—and I do not want to speak for them—and partly our own organization, that certain lines of nationally advertised items cannot be given the big play; you cannot get the enthusiasm behind them that you need to sell them, and that the push you get is because you just have to have them; a very unhealthy condition."

M. D. Lightfoot, a wholesaler of Springfield, Mo., alluded to the recent credit situation in Wall Street and discussed its possible effects on the future of distribution.

"We are coming to mass capitalization of control in merchandising, in manufacturing, and in other lines," he said, "so that we are bringing gigantic organizations of capital and amalgamations of capital into fewer hands all the time, and we are going to have to face the situation that there is a point where there must be a halt called. It will have to be called if we intend to see what we all understand as independent merchandising in the United States continue to function.

"I want to give no less an authority than Mr. Mitchell of the National City Bank of New York and a member of the Federal Reserve Bank. The situation that I am speaking about has got so acute that over his own signature in the past week he has put out a special bulletin in which he calls attention to this very fact, and he prefaces his bulletin with the remark—I want to read it to you verbatim, because I want you to think about it:

"The existing credit situation is already having its effect upon business and threatens to undermine the national prosperity of the country to an increasing degree, unless a corrective is promptly found."

"That is dated New York City, April 18, 1929, and is in big, bold, black type

on the bulletin and signed by C. E. Mitchell, chairman, and then he comes to this proposition—he says that today the surplus, not the amount of money that is put into manufacturing machinery or raw material or things like that, but the surplus that is withdrawn and held as surplus by the big corporations, by corporate influences of the United States of America, to the extent of four billion dollars, has been drawn into the speculative market because of the enormous interest rates they are getting and that that very thing is defeating the Federal Reserve Board in what it has been attempting to do, and that is what he calls attention to.

"Why, men, do you think for a minute that four billions of dollars in reserve that way is what the independent merchandising people of the United States want, or is what makes money in the interchange of commerce, and things like that?

"And yet here is another proposition. You may remember of a term years ago, used in connection with Jay Gould and his associates, called Black Friday. There is a very reasonable supposition to be drawn that such a thing as that might be easily repeated. What would happen if a considerable amount of this daily balance money, this daily call money, were withdrawn at one time from the banks, and the other financial interests of the country were not strong enough to go into the breach and stop it? Suppose, for instance, that of that four billion dollars of surplus money, ten per cent were withdrawn at one time. We could easily see one of the greatest panics started overnight, and in doing that very thing, in making it possible and lending those gigantic sums of money that have been built up as surplus from the retail business of this country and taken out of the immediate channels of circulation, they could withdraw it and start a panic just the same as human greed has done whenever they decided to do it at any time in the history of our economic existence.

"So I say to you that the day is coming when the independent dealer, the independent merchant, or the independent manufacturer, so called, will have to commence to think about being fortified against the unfair use of gigantic sums of money, and I hesitate to say it, but I will say that we will have to get back to the position that is strictly non-partisan, not a political question, because it was discarded by Cleveland and Roosevelt, that whenever these gigantic concerns and these gigantic sums of money get to the point where they are seriously affecting the free interchange of business relationships, you will have to bring in the same laws that are on our statute books today, that we passed for the anti-trust situation that was created, and bring them into practice again.

"You might not think you would like that again; you might not think we should face it, but I am convinced that you are going to have to face it, because there has to be a stoppage some place.

"We see governmental functions today on the lower phase of it, commencing to

appropriate gigantic sums of money for nothing in the world but what we call paternalism, and, on the other hand, we see the gigantic sums of money used from above that will tend every time to absolutism, and I call those two things to your attention as they come closer together.

"The independent business structure of these United States of America will be ground to dust unless there is a stoppage some place, and instead of quibbling and talking here as to who is dependent and independent, we had better commence to try to find out just how we can arrive at a solution of the problem, because you are going to have to face it before another decade has rolled around."

Trade Associations

William Butterworth, the Chamber's president, declared in his address at the general session that trade associations were making "measurable progress" toward self-regulation.

"More and more," he said, "we are coming to understand that in and of ourselves, as business men, and through our organizations, we can outlaw those practices and those abuses which are an outgrowth of unsound competition. These abuses are destructive of the real uses of competition and of its public value as a means of assuring a free flow and exchange of goods. Better than any other agency can our organizations of business men ban such practices and put the public upon notice of those who for fancied, temporary, personal advantage continue to masquerade under the guise of reputable business men to cloak practices which, in all other relations of life, are frowned upon by public opinion."

Dr. Julius Klein, Assistant Secretary of Commerce, said that the national Chamber "represents the apex of that associational movement which has accomplished so much in keeping this country relatively free from governmental paternalism so that the course of business—its standards, ethics and control—rests in the hands of business men themselves. Continuing, Dr. Klein declared:

"Throughout history, this subject represents one of the most bitterly contested political and economic arguments. The United States has set its face definitely toward the goal of business individualism, supplemented by associated and co-operative effort which in turn is supplemented by governmental assistance. We favor industrial self-regulation, except where monopoly perils are so apparent or public interests so large, unrestricted private control is not feasible. We believe that business, acting on its own initiative and guided by the standards it makes for itself, should be free of bureaucratic interference.

"This doctrine of private business initiative is accepted in full by your great national Chamber of industrial and commercial leaders. It is also accepted in full by the Department of Commerce, which is built only as an agency to aid business. Yet there are times when it seems as though business itself did not

(Continued on page 11)

Here Are the National Chamber's Resolutions Adopted at Washington

REDUCTION OF ARMAMENTS

THE Chamber of Commerce of the United States views with great satisfaction the progress which is being made toward the establishment of real peace in the world and the constructive leadership in this direction which the government of the United States has taken.

It endorses heartily the principles of The Treaty of Paris and the inspiring proposals consistent with that treaty which have been presented on behalf of our government for the effective reduction of armaments.

American business has repeatedly declared its aversion to armed conflict and to profit making influenced by the misfortunes of war. Fourteen years ago by referendum vote the Chamber declared:

"That the United States should take the initiative in joining with other nations in agreeing to bring concerted economic pressure to bear upon any nation or nations which resort to military measures without submitting their differences to an international court or a council of conciliation and then awaiting the decisions of the court or the recommendations of the council as circumstances make the most appropriate."

The relief of humanity from the intolerable sacrifices of war and its inevitable burdens of taxation which for centuries have prevented the highest development of civilization represent the world's great challenge to the intelligence of statesmen. We pledge our unequalled support to our President and our government in every effort toward the suppression of war as an instrument of national policy.

CREDIT SITUATION

THE Chamber of Commerce of the United States recognizes the new problem of finance and credit, and the difficulty of preserving an orderly balance under these new conditions.

Stable currencies abroad are desirable for industry, labor, and agriculture here. Corporate financing has developed recent trends toward common stock issues. Large security trading naturally results from the increasing number of our people with new margins of savings seeking investment, but the capacity of the country to quickly absorb new security issues should be carefully weighed.

Basic industries, especially the smaller units of manufacture, distribution, and agriculture, should not be burdened with unusually high interest rates resulting from security excesses.

The Chamber has confidence in the Federal Reserve system and its adaptability to new conditions, and holds that the system is entitled to the utmost cooperation.

For more than a year the Chamber has had a committee for the study of finance and credit. The convention is gratified to learn that this report will soon be in form for presentation to the Board of Directors and asks that as soon as possible the Board place the report before the membership for its discussion, understanding, and vote.

AGRICULTURE

THE Chamber's policies relating to agricultural problems have been adopted through the Chamber's representative procedure and they are being actively supported. These policies include advocacy of equality in tariff protection with other forms of American industry. For this purpose a tariff bill will soon come before Congress for debate. In the Chamber's policies there is also a recommendation for a new and important agency of the federal government to deal comprehensively with agricultural problems. The enactment of a great project of legislation in the interest of agriculture appears imminent.

It is in the national interest that such a project should have beneficial results of widespread importance. This Chamber and its membership should contribute in every way within their power toward the success of such an undertaking.

To this end we believe the Chamber should have a committee to follow the development of the plans of the federal government, to suggest ways in which the Chamber and its members may lend their assistance, and to bring forward any questions upon which the Chamber should reach further policies.

For such a committee there are tasks to which it could at once turn its attention, in cooperation with other appropriate committees of the Chamber, such as the field of research in which the federal government should operate by reason of the national interest in agriculture, and the utilization

of its products and by-products, and the opportunities for improved facilities through extension service for getting wide adoption of the results of research.

RAILROAD RATE-MAKING

THE power given to Congress in the Constitution to regulate interstate commerce includes the power to regulate railway rates. Congress can either exercise the rate-making power directly or delegate it to the Interstate Commerce Commission or some other agency to exercise. The power of Congress could, of course, be used to abolish the Interstate Commerce Commission, if Congress deemed this desirable.

We believe, however, that Congress acted with wisdom and statesmanship when it created the Interstate Commerce Commission and delegated to it, as an impartial and expert body which would be informed by investigation, study and experience, the function and duty of regulating railway rates.

Congress having created such a body for such a purpose, and having defined in the Interstate Commerce Act the broad principles that shall be applied by the Commission in using its power of rate-making, we regard it as unwise and contrary to sound public policy for Congress to fix rates itself, to give to the Commission detailed instructions as to the way in which the Commission shall apply the rate-making principles defined in the law, or to impose requirements for such elaborate investigations as unduly postpone rate adjustments which the Commission could otherwise make more promptly in accordance with the procedure and law already established. The Commission should be permitted to continue to regulate rates in accordance with its own expert knowledge and judgment as to the way in which the rate-making principles defined in the law should be applied in each particular case, and as to the relations that should be established between the rates paid by different sections of the country and different branches of industry and commerce.

It is a long established principle of rate-making that consideration should be given to the condition of the various industries, including agriculture, so that rates may be fair and not discriminatory and that goods may move freely in commerce. This principle of rate-making should be so applied as to give reasonable stability in the rate structure, since constant change and uncertainty would necessarily damage business and retard development, to the detriment of the national welfare.

MERCHANT MARINE

THE annual meeting has had before it a report on "Handicaps to American Shipping." For the reasons appearing in this report we believe there are steps which should now be taken to complete the removal of the menace of government competition and which would materially assist the private American merchant marine. Except as to a few ships considered as reserves, the vessels of the government laid-up fleet should be scrapped or sold for scrapping. The contract principle should be applied to assist in completing the disposal of the Shipping Board lines and at the same time providing for further needed development of our overseas shipping services, including the movement of seasonal peak traffic, and when such disposal of lines has been accomplished a reduced Shipping Board should be given the status of an agency to carry on the regulation of the relation of merchant shipping to the public. As further measures to eliminate government competition with private enterprise, steps should be taken to remove the Panama Railroad Steamship Company from the shipping business; the shipping requirements of the Panama Canal should be secured from private shipping companies.

The revision of the navigation laws now in progress should be actively prosecuted to completion, and the changes affecting the Steamboat Inspection Service recommended in 1916 by the Chamber's Committee on the Department of Commerce are recommended for consideration. The duties of the Treasury Department affecting vessel measurement should be transferred to the Department of Commerce, and there should be national and international standardization of the measurement rules. Changes proposed by the report in the Seamen's Act, none of which would adversely affect seamen, should be made. Service records of seamen should be maintained through continuous discharge books. There should be legislation providing for adoption of the Hague Rules in form suitable to American conditions.

Restrictions on the disposal of ships abroad should apply only to those in which the government has an interest or to which it has given aid. Congress should take the necessary steps to cause the Shipping Board to withdraw from the business of marine underwriting. The provisions of the Model Marine Insurance Law now in force in the District of Columbia and several states should be adopted in all states. Congress should be asked to make the necessary appropriations to give the Merchant Marine Naval Reserve proper financial support, and to provide and maintain proper quarantine facilities.

FEDERAL COURTS

THE Chamber of Commerce of the United States at its Sixteenth Annual Meeting, adopted a resolution deploring any and all efforts to obtain the adoption of legislation which tends to minimize the power or diminish the jurisdiction of the federal courts, or to substitute the legislative will for the discretion of the court in the discharge of a judicial duty. The Chamber of Commerce of the United States reaffirms its position as above stated opposing attempts to restrict the functions of the federal courts.

FEDERAL TAXATION

WITH the national debt reduced nearly ten billion dollars since the close of the war, with the activities of the government now brought more nearly to the orderly routine of normal times, and with large surpluses accruing in recent years in the national treasury, it seems obvious that federal taxes should now be levied with the economic welfare of the country steadily in view, and all proposals for new expenditures by the federal government should be carefully scrutinized, in order that none may be granted unless their justification is clearly apparent.

The present rate of federal income tax on corporations, at 12 per cent, is burdensome on productive enterprise. It handicaps business development and, by reducing earnings that might be available for dividends, it curtails the amount of other taxable income. The rate is a discrimination against the corporate form of business enterprise. In theory and in equity the tax should correspond more nearly with the normal rate on individual incomes.

Every opportunity permitted by the financial situation of the federal government should be utilized for the reduction of the corporate rate to a more equitable level.

TAX LIABILITY

PROMPT settlement of liability for federal taxes is in the interest of both government and taxpayers. While some unnecessary delays are attributable to taxpayers, the seriousness of the problem in the main has been due to congestion in the Bureau of Internal Revenue. Heretofore changes in administrative organization for the purpose of expediting tax settlements have resulted largely in transferring congestion from one point to another, with little relief to taxpayers. Some improvements have resulted from current efforts to develop means of speeding up tax settlements. We commend such efforts and urge that long delayed cases now be rapidly disposed of and that there be prompt final determination of tax liability in the future.

STATE AND LOCAL TAXATION

BUSINESS men's organizations, both commercial organizations and trade associations, have been turning their attention effectively to the problems of state and local taxation and of governmental activities which have results in taxation. These efforts have already contributed signally to the cause of good government.

Such progress has now been made in reducing the earlier chaos as to taxation of intangible personal property under inheritance tax laws that a majority of the states have enacted the statute for reciprocity in exemption of intangible personality of non-resident decedents, or have given entire exemption for such property. It is especially timely for organizations in other states to urge the adoption of the statute for reciprocity.

Business is not limited territorially by state boundary lines. If any one state imposes excessive or annoying tax burdens, the normal development of business and industry is hampered. Through various forms of fees, tax levies, and special imposts upon business enterprises incorporated in other

states, there have thus been created undue handicaps upon the interstate movement of capital and goods. It is urged that in the coming year trade associations give special study to aspects of this problem pertinent to their special fields and that chambers of commerce consider the matter from the point of view of conditions in their states. Removal of excessive burdens upon firms and individuals doing an interstate business will prove to be not only in the general interest of the country, but also of the levying states.

The methods by which public funds are raised and expended in every state and locality should have thorough examination by business men's organizations. This should embrace the planning and budgeting for a period of years of expenditures of a capital nature, including their proper financing whether through current receipts or borrowings. Out of such examination will develop a national demand for capable management of public finances.

This examination should extend to administrative organization. Diffusion of administrative responsibility is apparent in many fields of governmental management. There are opportunities for simplification in the organization of state governments. Various cities have already demonstrated the possibilities of reorganization and coordination in their administrative services. A defective local government is frequently apparent in the number of overlapping taxing and spending jurisdictions. Concerted and sustained attention to these problems from business men's organizations in all parts of the country will go far toward the assurance that the public will get proper benefits from each dollar collected in taxation, and that taxation will not be used for improper and unnecessary purposes.

TARIFF COMMISSION

THIS Chamber has by early referendum approved the principle of maintenance and encouragement of our export trade in tariff legislation so far as consistent with reasonable protection for American industry. In recent years there has developed a great appreciation of the necessity for maintaining fair and just protection for America's higher wage scales and living standards, yet coupled with an appreciation that international trade under proper conditions benefits America as well as other countries and that there should be no unnecessary trade barriers. In the determination of a fair and just protective tariff schedule accurately reflecting these considerations and flexible enough to meet changing economic conditions, administrative authority is required to act promptly after investigation and within legislative limits. This Chamber has consistently supported, from an early date, the legislative permission for adjustment of tariff rates by administrative authority within the limits prescribed by Congress. While the Chamber does not now specifically recall its earlier recommendation for both a fact-finding Tariff Commission and a separate Tariff Adjustment Board, this Chamber expresses a desire that the established Tariff Commission should be strengthened by the necessary authority for expeditious determination of these questions with full responsibility under the President of the United States.

IMPORT AND EXPORT PROHIBITIONS

DURING 1928 the United States, with 27 other nations, signed the International Convention for the Abolition of Import and Export Prohibitions and Restrictions and a supplementary agreement to the convention, designed to remove barriers to foreign commerce which have carried over from the years of the World War or have appeared during the post-war adjustment. It does not affect the tariff systems or the treaty-making methods of the participating countries. In the United States such restrictions have been removed, but in many important foreign markets, particularly of Europe, certain restrictions still apply. American exporters have found their activities substantially affected by the obstacles which the convention aims to remove. Ratification of the convention by the Senate of the United States is urged, therefore, in further support for our foreign trade.

IMMIGRATION

THE provisions of the Immigration Law of 1924 which apply the quota limit system to the countries of Europe, Asia, Africa and Australasia, on the 1890 census basis of foreign born, have been in operation now for nearly five years. These provisions have become an accepted part of our national policy. Our industrial and sociological life, our citizens, and our foreign-born residents, as well as foreigners abroad who are contemplating coming to this country for per-

manent residence, have largely adjusted themselves to this policy.

During this period the so-called national origins provision of the 1924 Immigration Law, which originally was intended to replace on July 1, 1927, the quota limit system based on the 1890 census, referred to above, has not been in operation. This provision purposes to limit immigration from old world countries to about 150,000, as compared with the 164,667 at present admissible, and to allow an annual quota to any nationality equal to a number which bears the same ratio to 150,000 as the number of people living here in 1920 having that nationality bears to the total number of our inhabitants. This provision has been twice postponed by Congress in the face of problems, as yet unsolved, connected with the development of a satisfactory plan for the accurate determination of the racial content of the country.

It would be a mistake, in our opinion, to disrupt the adjustments which have been made under the actual operation of the law to date, and by changing the basis of present quotas unnecessarily to stir up racial antagonisms. We, therefore, recommend the repeal of the national origins provision of the Immigration Law of 1924, and urge the continuance of the quota limit system now in operation based upon 2 per cent of foreign born living here in 1890.

PASSPORTS

HIGH fees charged by our government to its citizens for the passports they require are a burden upon international travel necessary to commerce. Whatever the conditions which led to the present fees, those conditions would seem to have passed. We believe the time has come when our government should reduce its fees for passports to a reasonable charge for the service which is performed. This recommendation is made with recognition of the progress which has been made by our government in making reciprocal arrangements with other countries with respect to passports and visas.

TRANS-PACIFIC PRESS MESSAGES

THERE is need of improvement in trans-Pacific facilities to permit more complete press messages upon important subjects. That there may be improvement in such facilities, we request the government of the United States to make representations to the Chinese Government for the purpose of obtaining from the Chinese Government equality of American companies with the companies of other countries in rights heretofore granted by China relating to press messages, which rights expire in 1930.

COMMERCIAL AERONAUTICS

AIR transportation is essentially national in scope. State legislatures are urged to have interstate rather than merely intrastate service in mind for their citizens when drafting aeronautical legislation, and member organizations are urged to support this principle.

Uniformity of aeronautical legislation is necessary, and it is important that in enacting such legislation the states should conform their laws and regulations to those of the federal government.

The establishment of airports is essential to the proper operation of air transportation. Appropriate legislation should be enacted to enable the states, municipalities and counties to appropriate funds and acquire lands for the practical development of aeronautics through the establishment of airports and the encouragement of the use of aircraft.

DISTRIBUTION STUDIES

CONGRESS should provide more adequate appropriations to permit the Division of Domestic Commerce of the Department of Commerce to undertake detailed cooperative distribution studies with those fields of industry which are interested.

MINERAL INDUSTRIES

THE mineral resources of the United States are so varied and form such a large part of the natural assets of the country that the need of a broad and balanced program for their development becomes apparent only in times of national emergency. The approaching era of severe international competition makes it timely to give recognition to a national program and for provision by the federal government to assist mineral industries in solving the problems which confront them. For this purpose the United States Bureau of Mines and the United States Geological Survey should be maintained at high efficiency, scientific inquiry should be fostered for the solution of the problems of the mining industries, mining should be encouraged by relief from

excessive taxation, and there should be governmental cooperation for the purpose of enabling essential mineral industries to meet the requirements for national welfare and the exigencies of a national crisis.

FOREST RESOURCES

RECOGNITION of the national interest in the forest resources of the country appears in the program approved last year by Congress for investigation, research and experimentation with respect to forestry problems. There are many important and urgent forestry problems toward the solution of which the activities of the federal government contemplated under the program which has been adopted would greatly contribute. This program should accordingly be placed in effect at once, through substantial appropriations.

FEDERAL HIGHWAY APPROPRIATIONS

THE constant expansion of motor transportation has brought with it new demands for highway construction and improvement despite the great progress made during the past decade. Because of this condition, state highway departments have found it necessary to expand the mileage of their systems at a time when traffic requirements on the main roads are reaching new peaks.

Coincidentally, federal cooperation in the improvement of the main roads faces curtailment through the fact that reserve funds accumulated during the post-war period are now exhausted. Moreover, while two-thirds of the principal roads have undergone preliminary improvements, this work has been done very largely at the expense of the states, although the nation as a whole derives a direct benefit. Increased federal funds for use on the interstate system will at once expedite completion of this work and will release state and local funds for use on secondary roads.

These increases are fully justified from an economic point of view, and should be made with due regard for the state of the treasury and other public needs.

HIGHWAY ADVISERS TO LATIN AMERICA

THE President of the United States has recommended to Congress that he should be given the same authority to name engineering advisers to American republics which may request their services as he may now exercise in appointing military and naval advisers. The appointment of highway advisers, who have had important participation in the construction of projects in the United States, will place at the disposal of Latin-American countries which have highway problems the benefits of the experience we now have in the United States by reason of the progress which has been made in the construction of improved roads, and we believe Congress should take prompt action.

TRAFFIC REGULATION

THE Chamber in 1927 endorsed the comprehensive program of principles developed by the National Conference on Street and Highway Safety, including the principle of uniformity in traffic laws exemplified in the Uniform Vehicle Code recommended by the Conference for adoption by states. In recognition of the need for carrying this principle of uniformity as far as practicable into the traffic regulations of cities and towns, there was developed last year for the Conference a Model Municipal Traffic Ordinance. This ordinance should be given careful consideration by all municipalities, and incorporated in their local regulations to the fullest extent compatible with the conditions prevailing in those municipalities, to the end that the chaos now resulting from conflicting rules in different states and different communities within states may be eliminated.

In furtherance of the principle of uniformity, it is also urged that careful attention be given to the recent report of a committee of the American Engineering Council recommending standardized traffic signs, signals, and pavement markings suitable for use in American cities and towns in harmony with the Model Municipal Traffic Ordinance and the Uniform Vehicle Code.

HEALTH CONSERVATION AND ACCIDENT PREVENTION

THE gratifying progress of recent years in extending the average span of human life gives good reason to expect further advance through concerted efforts, both for health conservation and for prevention of accidents, which are constantly growing and cause the premature death annually of thousands of our citizens. In order to conserve life and health to the fullest extent there

should be further development of national interest and of national activity. In efforts directed to this purpose, the Chamber should participate and should enlist the widest possible cooperation on the part of its membership.

FIRE WASTE

THE Chamber of Commerce of the United States and its organization members have participated in a sustained endeavor to decrease the waste resulting from fires which might be prevented. For further progress in reduction of fire waste it is important that all states should have adequate and uniform legislation against the crime of arson in all of its forms. Such legislation should always subject to the penalties provided for the crime of arson, not only those persons who burn the property of others, but persons who willfully and maliciously burn their own buildings, or who aid or procure such burning, as well as persons who make preparations at a building to commit the crime of arson. The preparation of legislation for this purpose might properly have the attention of all agencies, official and private, concerned with the advancement of uniform state laws.

DAYLIGHT SAVING

THE present situation, with many communities and sections using daylight saving time and others similarly located using time which is one hour slower, makes it appropriate for the Chamber of Commerce of the United States to have a committee to study the whole problem, including its relations to health and business, to the end that upon the recommendations of such a committee there may be a referendum among the membership and determination of the Chamber's policy whether or not there should be legislation by Congress to bring about uniformity.

follow the doctrine, for constantly the Government, including the Department of Commerce, is being urged by private citizens to extend its activities into the realm of business. I want to assure you that the Department of Commerce stands with the Chamber of Commerce in safeguarding the principle of cooperation instead of interference with business.

"Let me give a few examples of the paternalistic demands that are made. Perhaps one of our best known activities is in connection with simplified practice in manufacturing and selling. Numerous are the efforts to have this branch of the Department conceive and execute without reference to industry sweeping simplifications of materials or manufactured products. But we took at first, and have steadily maintained since, the position that industry itself should simplify its products and that we would act only as a channel through which different branches of the industry could be drawn together. Under this system of industrial democracy 110 simplifications, at an estimated annual saving of 300 million dollars to the American people, have been accomplished."

Col. Nelson B. Gaskell, former chairman of the Federal Trade Commission, after affirming his approval of its work, said that in his opinion it had shown a tendency to make rules for industry instead of accepting or rejecting rules which industry made for itself.

"Under the law," he declared, "the Commission's field is a narrow one. It is too narrow adequately to regulate and prescribe for the needs of industry; and the problem is to find a practicable way by which industry can evolve and work out codes for itself with reasonable freedom from Government regulation. What

we want is as great a degree of individualism in business as is consistent with the public good."

Col. Gaskell suggested that the trade practice rules adopted by industries in conference with the Commission ought to be submitted to the Courts for final ratification, so that it could then be known which rules were really enforceable under the law.

Abram F. Myers, also a former Chairman of the Commission, took issue with Col. Gaskell, and said such alterations as the Commission had made in rules submitted by industries had been designed merely to bring the rules clearly within the law, so that they would have the support of the Courts.

The sentiment of the meeting appeared to be strongly in favor of the trade practice conferences.

Opposes New Laws

Christie Benet, general counsel of the Cotton Seed Crushers' Association, advocated interpretation of existing laws affecting business rather than repeal, modification or enactment of statutes. He drew the following conclusions:

"1. That no new laws are needed; that there is no desire on the part of trade conferences for the repeal of the Sherman law or laws of similar character.

"2. That associations do urge that there be an interpretation of the law by men trained in economics as well as on the legal side.

"3. That the Commission be requested to open in cities where it now maintains legal and investigating sections facilities for trade practice work.

"4. That the Commission be asked to consider whether industries which do not regard it as necessary to hold a trade

OTHER SUBJECTS

PROPOSALS that this annual meeting should commit the Chamber to declarations of policy on a number of other subjects came to the Resolutions Committee under the rules of the meeting. Upon phases of some of these subjects the Chamber already has policies. Others are of such a nature that there should be more study of the subjects in all their bearings before the Chamber formally takes a position. In order that these proposals may receive that detailed and careful study which is a feature of the Chamber's procedure, the Resolutions Committee recommends that they should be referred by the meeting to the Board of Directors. The subjects of the proposals are as follows, with such suggestions as the Resolutions Committee wishes to offer as to the course the Board of Directors might follow:

Automobile Liens.

Calendar Reforms, with a suggestions that this report should be placed before the membership for a referendum vote.

Brussels Agreement Respecting Code Messages, with a suggestion that it be referred to the Committee of the Transportation and Communication Department.

Capital Gains, with a suggestion that it should be referred to the Chamber's Committee on Federal Taxation.

Grazing in National Forests, with a suggestion that the Chamber already is committed to the policy which is proposed.

Great Lakes-St. Lawrence Waterways, with a suggestion that it should be referred to any committee which may be created to consider major waterway projects.

Federal Control of Production, with a suggestion that the Chamber already has policies in opposition to such control.

Increase of Local Bonded Indebtedness, with a suggestion that it should be referred to the appropriate committees.

Inter-American Highways, with a sugges-

tion that it should be referred to the appropriate committee for consideration when the project becomes more definite.

Muscle Shoals, with a suggestion that this subject might appropriately be considered within the jurisdiction of the Chamber's Committee on Water Power Policies.

Natural Business Year, with a suggestion that the subject should be studied and analyzed by the appropriate committee of the Chamber, and the results of the study, embodied in a report, might be distributed to the membership for its information.

Other Subjects in report on Handicaps to American Shipping than those appearing in the declaration entitled "Merchant Marine."

Passport Visas, with a suggestion that by reason of the questions which have arisen as to visas for passports of immigrants, this subject should be referred to the Chamber's Committee on Immigration for its study and recommendation.

Philippine Immigration, with a suggestion that it should be referred to the Committee on Immigration.

Philippine Trade, with a suggestion that a committee of the Chamber should study trade relations with the outlying possessions of the United States.

Postal Service, with a suggestion that the question of time-stamping is one of several questions which should be considered by the Chamber's Committee on Postal Service.

Reforestation of National Forests, with a suggestion that the subject should have the attention of the appropriate committee.

State and Local Revenues and Expenditures, with a suggestion that it should be referred to the Committee on State and Local Taxation.

Statute of Limitations on Tax Refunds, with a suggestion that it should be referred to the Chamber's Committee on Federal Taxation, which should be asked to consider the law and its administration in order to bring out features which operate unjustly upon taxpayers.

practice conference might have the right to file voluntarily rules under which they operate.

"5. That at trade practice conferences, representatives from the Department of Commerce and the Department of Justice participate in addition to representatives of the Commission representing the public interest."

Announcement was made at the annual dinner meeting of the American Trade Association Executives, held during the week, of its decision to establish an annual award for distinguished service rendered by a trade association to the industry it represents and to industrial development at large and to the public.

The award will consist of a bronze medallion. The name of the founder is to be kept anonymous for at least three years. The first award will be made, if possible, in May, 1930.

The association explained its purpose as follows:

"In the belief that the trade association is a great economic force in the industrial and commercial life of our country and that through its service to business the community can be greatly benefited, the American Trade Association Executives' award is founded.

"By focusing public attention upon the meritorious work of trade associations, it is hoped to stimulate a desire in industry for greater industrial cooperation and to inspire in the trade association higher standards of purpose, thereby improving its service to industry and society."

The various resolutions adopted by the Chamber are published on pages 9 to 11.

Among the storage industry's repre-

(Concluded on page 48)

DISTRIBUTION

Its Economic Relation to Public Warehousing

Number 51

How Higher Freight Rates Are Decentralizing Our Manufactures—The Effect on Spot Stocks

By H. A. HARING

INTERWOVEN with all the factors that determine the location of a factory is the vital matter of transportation. Total lack of transportation thoroughly decentralizes industry. In the early days in this country, when all industry was of the type of the grist mill or the saw mill or the tannery, the area of business was closely restricted to the distance a team could make in a day—say 30 miles. In all the States east of the Mississippi, and many west of that valley, county seats stand about 30 miles apart, that distance being about the maximum for legal affairs as for merchandising.

This early decentralization broke down under railroad construction which aimed to make the country a unit for marketing. Today another phase of decentralization is upon us, due to high freight rates and a combination of other factors.

Railroad policy, from 1828 to 1916, a period of about ninety years, deliberately fostered the preeminence of manufacturing in the East. In order to bind the whole nation together and encourage the use of railroads in thinly populated regions it was necessary to fix freight rates at the lowest possible point. As a result railroad

freight rates were continually revised downward. The rates were, furthermore, so arranged as to give precedence to the long haul over the short haul. It was to the interest of the railroads, inasmuch as they made their profits on the long rather than the short haul, to keep manufacturing localized in the East, where it first developed and to prevent development of manufacturing in the western agricultural regions.

Rates were also so adjusted as to give undue favoritism to the large cities on the eastern seaboard. This plan led to the building of great centers of population in the East, specializing in manufacturing, together with a wide dispersal of agriculture and mining and forestry in the western and middle sections of the country.

Out of this arrangement the railroads enjoyed a long haul for manufactured goods moving West as well as a long haul on the products of agriculture and mining moving East.

Nor should we criticize this method. The United States had now outgrown it, without some such arrangement, it is difficult to see how the country could have become a nation so quickly.

Decentralization Again Upon Us

BUT the period when these things were necessary has passed. The country is now settled from coast to coast. Distinct regional differences are fading. Although there are many reasons of climate and fuel and raw materials which prevent manufacturing equally in all regions, the more nearly we approach regional self-sufficiency the stronger we shall be as a nation. At the present time the region of Ohio-Illinois-Michigan has probably attained the best balance between agriculture and mining and manufacturing. That section is closest to an ideal economic condition.

In all regions, however, a similar balance of industries is in process. Many influences are bringing this about. The one of most pronounced weight has been

the sharp rise in freight rates since 1916, when the World War broke upon this country. These growing freight tolls have compelled manufacturers to scrutinize their position in relation to raw materials and markets; and, out of their studies, has come a distinct movement toward decentralization of their manufacturing.

This does not mean that old locations will be abandoned, but it does indicate that expansions will be planned for new centers so located as to enjoy favoring freight rates for raw material coming in and manufactured product going out. General Electric, for instance, will not leave Schenectady, and yet its great plant at Erie and the greater one now building at St. Louis signpost the future for that company. Such plans have the effect of spreading our manufactur-

ing more evenly throughout the settled parts of the country rather than of concentrating them in the northeast corner.

A Modern Trend

IMPROVEMENTS in the technique of manufacturing are loosening the bonds that have hobbled manufacturing. The modern trend is toward spreading out rather than concentrating.

The old cry against spreading out was: "Your skilled labor will not move with you." Machinery and management have, however, broken this strangle hold. Automatic and semi-automatic machinery have permitted a simplification of jobs; and, while it takes a skilled man to perform a complex task, complex tasks are now few in number. The man of relatively low caliber may be

(Continued on page 14)

Do You Read H. A. Haring?

—Every Month in *Distribution and Warehousing*—

IN this June issue the fifty-first of his articles appears, of his series "Distribution: Its Economic Relation to Public Warehousing."

❑ No other man has ever written so extensively and so informatively about this subject, "Distribution," which was so close to the business heart of Herbert Hoover when the President was Secretary of Commerce.

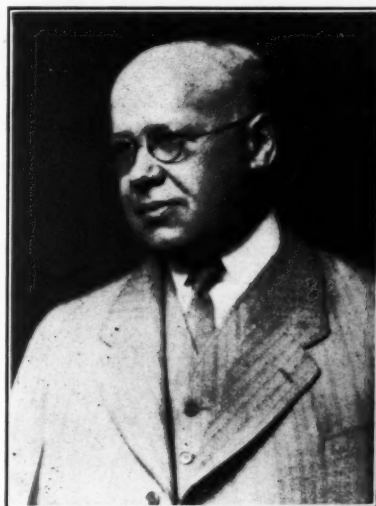
❑ No other writer has quite the same appreciative understanding of the problems which are mutual to shipper and storage executive.

❑ Mr. Haring has the unusual combination of a personal charm which makes friends among thinking men and an ability to dig to the root of the particular situation which he is investigating.

❑ The result is that big executives are willing to interrupt the day's work and tell facts in full confidence that Mr. Haring will present them fairly, clearly and without bias—to the benefit of those who read.

❑ Mr. Haring will continue this "Distribution" series. His fifty past articles are as follows:

- 1—How Judicious Use of Public Warehouses Economizes on Cartage Costs. April, 1925.
- 2—How Staggering of Stocks by Shippers Will Cut Down Cost of Taxation. May, 1925.
- 3—How Warehousing the Goods Promotes Continuous Factory Operation. June, 1925.
- 4—Public Warehousing as a Safeguard Against Moral Risks. July, 1925.
- 5—Advertising Warehoused Stocks so as to Increase Sales and Develop Business Now Being Missed. August, 1925.
- 6—Financing the Factory Through Custodian Warehousing. September, 1925.
- 7—How Stocks in Public Warehouses Have Saved Shippers' Markets. October, 1925.
- 8—How Public Warehousing of Goods Costs Less Than Private Storage. November, 1925.
- 9—Why the Public Warehouse Is "The Bee Hive of Today." December, 1925.
- 10—Savings from Low Insurance Rates of Public Warehouses. January, 1926.
- 11—Saving Your Market by Maintaining Public Warehouse Stocks. February, 1926.
- 12—How the Factory May Be Financed Through Warehoused Stocks. March, 1926.
- 13—Gearing the Sales Policy to the Demand for Quick Turnover. April, 1926.
- 14—Taking Advantage of Rate Economies of Water-Borne Freight Traffic. May, 1926.
- 15—How the "Customers' Accredited List" System Operates for the Shipper. June, 1926.
- 16—Direct Distribution?—or the Jobber? July, 1926.
- 17—How Branch Agencies Can Use Warehouses as Operating Bases. August, 1926.
- 18—Why the Automotive Industry Needs the Public Warehouse for Distribution. September, 1926.
- 19—Goods That Are to Be Ordered Out in Less Than Full-Package Lots. October, 1926.
- 20—Why Trucking by the Warehouse Is the Most Satisfactory for Distant Owners. November, 1926.
- 21—Utilizing the Public Warehouse to Reduce the Evils of Consignment Selling. December, 1926.
- 22—The Warehouseman's Ability to Aid Shippers to Ease the Taxation Problems. January, 1927.
- 23—Shipper's Depleted Capital, Due to Instalment Selling, Can Serve Larger Turnover When Warehouses Are Utilized. February, 1927.
- 24—The Shipper Should Coordinate the Advertising Dollar and the Sales Dollar, with the Warehouse as a Reservoir. March, 1927.



MR. HARING

- 25—Custodian Warehousing—Its Legal Phases and Its Pitfalls—Restrictions Imposed by Banks and Courts. April, 1927.
- 26—To Finance Owners of Stored Merchandise Is an Essential of Up-to-Date Warehousing. May, 1927.
- 27—How the Manufacturer May Reduce the Taxes He Pays as a "Foreign Corporation." June, 1927.
- 28—Increased Warehouse Construction. Is It Economically Sound? Here Is an Affirmative Answer. July, 1927.
- 29—The Storage and Distribution of Canned Goods. August, 1927.
- 30—Public or Private Storing? September, 1927.
- 31—Choosing Cities for Spot Stocks. October, 1927.
- 32—Selecting the Right Warehouse. November, 1927.
- 33—Business Prospects for 1928. December, 1927.
- 34—More Warehouse Stocks Than Sales Agencies, or Fewer? January, 1928.
- 35—Breaking into the New York Market. February, 1928.
- 36—Do Your Branches Cost More Than 60c a Square Foot? March, 1928.
- 37—Port Warehouses. April, 1928.
- 38—Export Warehousing. May, 1928.
- 39—Shipping Via the Panama Canal. June, 1928.
- 40—Spotting Stocks for New England. July, 1928.
- 41—How and When and Why Mail-Order Institutions Use Commercial Storage Plants. August, 1928.
- 42—The Department Store's Buying Program. The "Returned Goods Evil." September, 1928.
- 43—Cooperative Marketing Is Largely a "Withholding" Process. October, 1928.
- 44—Stocks in Storage with Relation to "Foreign Corporation" Laws. November, 1928.
- 45—Strategic Services of Domestic and Foreign Freight Forwarders. December, 1928.
- 46—Selling Goods in Canada. Warehousing as a Factor in Assembling Goods on Dominion Side of Border. January, 1929.
- 47—Developments in Inland Waterway Transportation Economics in Use of Barge Lines. February, 1929.
- 48—The Portable Steel Container for Bulk Freight—a Recent Development in American Railroad. March, 1929.
- 49—The Container Car for General Merchandise. April, 1929.
- 50—Where Do the Wholesalers Make Their Profit? May, 1929.

All of the foregoing texts are still available. If you have missed any of them and want them, address an inquiry to—

DISTRIBUTION AND WAREHOUSING

249 West 39th Street

New York City

DISTRIBUTION

Its Economic Relation to Public Warehousing

(Continued from page 12)

trained to do one simple thing with a machine. The cabinet maker was an artist and dominated the furniture factory but today a less able man turns out table legs and glues veneering.

Scientific management, in a word, with its detailed planning for the job, has left little of monopoly of skill in the hands of labor.

Thirteen or fourteen years ago the tire makers thought it impossible to train workers except in the Connecticut Valley and in Ohio. Elsewhere tire factories had met disaster, including the best-known maker in the world, who expended millions at Buffalo. But the years, and not many of them at that, have so altered tire-making into a semi-automatic operation that plants are erected on the Pacific Coast and in the Atlanta area—with confidence that local labor will be competent. Glass-making was once localized in New Jersey but today compressed air is substituted for lung-power, molds for skilled fingers, and conveyors for legs, to such an extent that the industry has spread over Ohio, Pennsylvania, West Virginia and Indiana and is projected in Texas—where the plants are nearer the consumer and the product costs less because the freight is much less. Brass-casting, "even yet a hereditary secret among selected Connecticut casters," has now been brought under control through laboratory methods. Today Buffalo and not Waterbury is the center for the most scientific management in this industry, and, during the present year, the Chase Brass Co. has been erecting an enormous plant at Cleveland.

Nearness to the Market

IT has been true at all times that the factory nearest the market has had advantages over all others at a distance. The factory close to its consumers enjoys intimate acquaintance with the needs of the market, quick response to emergency demands, sensitive reaction to the whims of the people, and lowest transportation costs. Under the necessary railroad policy of ninety years these advantages were often sacrificed in the past, being overshadowed by the need to be close to raw material, to power or fuel, or because localized skilled labor was vital to profits.

With, however, the decline of these three factors, new emphasis has come to the need of being within easy touch to markets.

For many manufactured wares the market is the nation. Therefore to keep in touch with the market requires manufacturers either to locate close to the center of population, or to divide the country into natural zones each of which is to be served by its own plant.

This division of the United States into marketing zones, each with its own manufacturing, is taking place right now. The oldest manufacturing area, New England, once served all the nation but is today alarmed for its future. The militant and self-conscious Pacific Coast is valiantly trying to establish its own manufactures so as to shake off dependence upon the East and to relieve itself of high freights and that odious clause in advertisements "Prices slightly higher west of the Rockies." The aroused South, likewise, has begun industrial campaigns to balance its agricultural background and to reduce the cost of goods by eliminating the freight.

No zone, of course, will ever be self-sufficient in its manufacturing. The tendency to that end is, however, a mark of the times. Decentralization of our manufacturing is not only foreshadowed for the future. It is a condition already upon us.

The expansion of Ford Motor is not at Detroit but in a score of cities both here and abroad. Chevrolet and other General Motors units are building plants on the Pacific Coast and in the South. Montgomery Ward and Sears, Roebuck & Co. have ceased to extend their Chicago plants but have built largely in six or eight cities apiece. Truscon Steel has expanded at Los Angeles and Chicago, rather than at Youngstown, as has also the Youngstown Sheet & Plate Corporation. All the steel companies, in fact, have erected plants in the Chicago zone and many of them in the Duluth region since the abolition of "Pittsburgh-plus" in the freight rate.

The cotton mills of New England have gone into the Piedmont for additional spindles. The shoe makers of that same section have built immense factories at Cincinnati and St. Louis, not at Brockton. And, in a smaller way, metropolitan newspapers have been compelled to split their day's task into two or three pieces. In New York at least five of them (*Sun*, *Telegram*, *Daily News*, *Journal* and *Times*) have established auxiliary printing plants at strategic centers in Greater New York. They, for a restricted area, are doing precisely what the Steel Corporation is doing for the country—avoiding congestion, speeding up deliveries, cutting the cost of transportation. In Chicago the *Daily News* does the same thing, as do also the *Herald & Examiner* and the *Evening American* (comics, Sunday edition, supplements, etc.).

Hand-to-Mouth Buying Emphasizes Freights

ONE authority in marketing has recently told us that an analysis of sales costs indicates that the cost of selling in some parts of the country is

three times what it is in other sections. To quote:

"Companies are learning that almost invariably they are making more profit from sales within a radius of 100 or 200 miles of the plant than elsewhere. The broad sweep of the imagination had pictured the entire United States as their field, and their pride plus the high-pressure solicitation of national mediums had made them blind to the facts."

Small-lot buying has focussed attention to transportation costs, and efficiency in packing and shipping. Dealers want to buy in smaller units but they do not want prohibitive transportation and handling costs. Those costs appear to be rising, however, through the increase of small-lot buying. This buying policy takes for granted quick source of supplies and easy shipment and low charges. Hence there is today more reason for locations near the market center than ever before.

The Effect on Spot Stocks

WHEREVER one manufacturer in an industry builds a branch factory all his competitors are forced to establish full-service warehouse stocks. The factory, or factory branch, is not only a spot stock but it is a completely equipped service and repair station. The manufacturer who owns it steps immediately into a position of advantage in the market.

On the Pacific Coast, as a familiar example, a local tire maker was a severe competitor of the Akron plants. One Akron manufacturer then built a factory at Los Angeles, and, from that time, the local maker and the Los Angeles plant controlled tires on the Coast. Another Akron manufacturer made the statement:

"We were just out of business. It was impossible to get distribution, almost impossible to get representation. But the agents did nothing for us, because the good ones would not take on our tires and the poor ones could get no customers."

That maker, therefore, now has a California factory—forced into it by competition of others who had such plants.

The automobile makers feel obliged to do the same thing. Chevrolet will, by the end of this summer, complete eleven more factory branches, in addition to twenty-eight already in operation. Even Fisher Body Co. has announced a similar policy for 1929, although automobile bodies are little in demand except for manufacturing.

These servicing and spot stock units are the first step to meet the favorable situation of a competitor who has "got there first" with a branch plant.

(Concluded on page 27)

Sugar Institute Opposes Placing of Product in Brokers' Warehouses

Resolution Adopted by Refiners' Organization Is Beneficial to Public Storage Industry

ACTION favorable to warehouse companies which store sugar was taken recently by the Sugar Institute, Inc., which adopted a resolution disapproving of storage of the commodity in brokers' warehouses and declaring to be unethical the collection of brokerage on sugar for brokers' accounts.

Storage of the sweet in brokers' or customers' warehouses, or in warehouses in which brokers or customers have any interest, should be discontinued, the resolution holds.

The refiners who are members of the Sugar Institute, Inc., recently sent telegrams to their brokers requesting

them to place themselves on record, by wired replies, whether they were in any one of the following classes:

1. Brokers.
2. Broker-warehousemen.
3. Broker buyers.

It was indicated by the refiners that those brokers who placed themselves on record as being either broker-warehousemen or broker-buyers would be notified by the refiners that such broker-warehousemen and broker-buyers would no longer be permitted to handle the refiners' accounts.

ACCORDING to the magazine *Facts About Sugar* of May 4, the following announcement was issued by the Sugar Institute, Inc., on May 2:

"At a meeting of the directors of the Sugar Institute this afternoon the following resolution was unanimously adopted:

"Whereas, in the sale of sugar through brokers the broker is rendering a personal service to the refiner, and for this service the compensation which the refiner pays in the form of brokerage should represent no more than the fair and reasonable value of the service rendered; and

"Whereas, any concession made by the broker to the customer whereby the customer obtains a part of the commission or brokerage which has been paid to the broker for his services to the refiner, is not only unfair to the refiner but is a discrimination between purchasers of sugar; and

"Whereas, the Institute's Code of Ethics condemns as discriminatory and unethical 'variations from the open and publicly announced prices and terms,' including 'the payment of brokerage where any part thereof enures to the benefit of the purchaser'; and

A Warehouse Service

"Whereas, the storage of sugar in warehouse for the account of a refiner is a service performed for the refiner by the warehouseman, for which the refiner should not be charged more than the fair and reasonable value; and

"Whereas, the storage of sugar in warehouses operated by brokers, or in which brokers are interested, has given rise to grave abuses through manipulation in the handling of sugar, conces-

sions to customers of a part of the storage charges paid by the refiner, and to other unethical practices resulting in discrimination between purchasers of sugar; and

"Whereas, in the business of warehousing sugars it is essential to the success of the industry that the terms be fair and reasonable to the refiners and that the business be conducted in such manner as to prevent discrimination among the purchasers of sugar; and

"Whereas, a custom has grown up among certain brokers designed to defeat the ethical business practices which the Institute is attempting to foster, consisting of such brokers collecting brokerage on orders ostensibly for customers but which in fact by agreement with such customers, are ultimately acquired by the broker for his own account as a sugar merchant, resulting in discrimination in favor of the broker as against other purchasers of sugar:

"Now Therefore Be It Resolved:

1. That the Institute denounces as unethical, discriminatory and unfair the collection of brokerage by brokers on sugar ordered ostensibly for customers but which in fact is purchased for the broker's own account, or is later acquired by the broker or by some affiliated interest;

"2. That the storage of sugar in brokers' or customers' warehouses, or in warehouses in which brokers or customers have any interest, should be discontinued;

"3. That the payment of brokerage to anyone interested in the business of warehousing sugar or of merchandising sugar should be discontinued.

"The word 'broker' as used herein includes 'sub-broker,' and the words

'broker' and 'customer' include individuals, partnerships, corporations or associations by whatever name, and any business or interest affiliated with that of the broker or customer. A broker shall be deemed to be interested in the business of merchandising or warehousing sugar if, directly or indirectly, such broker shall derive any benefit or advantage therefrom, which the broker may, directly or indirectly, employ to discriminate between purchasers of sugar; and a customer shall be deemed to be interested in the warehousing of sugar if, directly or indirectly, such customer shall derive any benefit or advantage therefrom, which may amount to discrimination in favor of such customer in the purchase of sugar."

No New Motor Truck Taxation in Michigan

The Michigan State Legislature adjourned on May 9 without having placed any additional taxation on motor vehicle equipment.

According to H. H. Hardy, Lansing, secretary of the Michigan Furniture Warehousemen's Association, the Legislature did not desire to burden unduly motor truck transportation, "but it absolutely requires the efforts of someone to thoroughly place before these men a picture of this business and what the various laws will do if enacted."

George L. Walt, Lansing, chairman of the association's legislative committee, spent a great deal of time conferring with legislators in the work of opposing measures which would have reacted unfavorably on the motor truck operators.

WHAT'S WHAT IN NEW BUILDINGS

124

Sisser Bros.

New Brunswick, N. J.

SISSER Brothers, whose main offices are in Somerville, N. J., and who own and operate a warehouse in Plainfield, N. J., and a distributing warehouse at 80 Dey Street, New York City, are expanding their storage and trucking business and establishing a new unit in New Brunswick, N. J.

The first step was the purchase of a site at 25 Livingston Avenue, New Brunswick, and starting construction of a modern fireproof storage warehouse. The location is a prominent one, adjacent to Lowe's State Theater and directly opposite the new ten-story Woodrow Wilson Hotel, a Bowman hotel recently completed.

Following the trend of the times in the arrangement of warehouses the offices of the Sisser company will occupy a portion of the first story street frontage, and the remainder will be divided into high class retail shops for rental purposes.

The entire second story has been arranged so that it may be divided into individual offices or rented as a unit, with a direct entrance to the street by means of a stairway with marble wainscoting and terrazzo treads and risers. The entrance to the stairway also has been featured.

The third and fourth stories are divided into fireproof compartments equipped with individual labelled steel doors, except that a portion of the third story has been reserved for trunk, clothes and rug vaults and the fumigation room. These vaults have concrete walls, and are equipped with steel racks and with vault doors. The fumigation

room is arranged in the most modern manner for demoting purposes.

The fifth floor is designed for open storage of furniture and dead storage of automobiles, except that a portion of the space has been divided for the separate storage of upholstered furniture and pianos.

On the rear portion of the first story a large shipping platform has been provided, together with an inclosed packing room.

The rear portion of the lot is to be improved with a one-story loading shed extending the full width of the warehouse, and with a depth of 75 feet, and arranged with a trussed roof and provided with a wash rack.

Warehouse and loading shed are to be heated by a vapor vacuum system of steam heat, supplied by a boiler located in the basement.



The plant will be served by electric freight and passenger elevators.

Ample and separate modern lavatory facilities are provided for the office employees, the drivers and the firm's customers.

The warehouse offices will be finished with travertine walls, terrazzo floors, and marble base and counter. A private office opens directly from the main office and is adjacent to the driveway, extending from the street to the loading shed, with windows opening on the driveway and loading shed.

The design and construction supervision is by Kingsley Service, Inc., New York City.

How a Modern Merchandise Warehouse Fits Into the Distribution Chain*

By H. H. HARDY,

Secretary, Fireproof Storage Co., Lansing, Mich.

IN discussing the warehouse itself, it has several necessary requirements; it must be a good substantial building located in a city that is a good distributing center; it must have a private switch track, and good elevator service. The equipment used must be of a variety on account of the different commodities handled and the employees must be efficient and especially accurate in order to readily know and handle correctly each kind of merchandise in stock.

In regard to distribution, one serious problem is for the retailer to receive goods when he needs them and in the quantities required. The warehouse can fill this requirement on any commodities in storage because the warehouse will deliver any quantity ordered, if locally, within a few hours of the time ordered or will deliver to the transportation company immediately for shipment to the point of destination. In this manner the warehouse acts as a shipping department for any distributor or manufacturer who carries a stock in the warehouse.

The advantage to the merchant who buys from a concern carrying spot stocks in a warehouse is that he can order only as much as he desires to be delivered when required, thereby relieving him of having unnecessary storage space in his establishment, and he receives the goods and sells them before receiving an invoice. As an example, stores can receive various kinds of merchandise, such as sugar, canned goods, flour, etc., on Friday afternoon or Saturday morning for their Saturday trade. This of course applies to any day. In this method of distribution many manufacturers who sell to dealers in carload lots, such as wire fence, shingles, wall board, nails, burial vaults, etc., also carry spot stocks, so that the dealers can always readily receive small quantities of material to replenish quickly any stock they may require.

Financing

Another way in which the warehouse is used is to assist in financing. The warehouse issues negotiable and non-negotiable receipts. These receipts are used for collateral at the banks and are considered by the banks as one of the best and safest ways to loan money on stocks, due to the fact the warehouse

*Address before Civic Bureau of Lansing Chamber of Commerce.

AT the industry's conventions it has been suggested from time to time that warehousing's representatives explain to Chambers of Commerce, boards of trade and other business and civic organizations the rôle which the public merchandise storage plant plays in the system of distribution.

The accompanying text by Mr. Hardy is an illustration of what may be accomplished along this line. The warehouseman will read it and find in it little that is new. But it was not prepared for warehousemen, and it is published here as an example of the information which ought to be passed on, by representatives of the industry, in public speeches made before business groups.

company is not interested in the ownership of the goods; and further the bank can examine and check the goods at will and the warehouse company must accurate in making deliveries in order to exist.

There are several ways these receipts are used.

First, on goods that are bought out of season and both stored and financed until the selling season; this applies to such commodities as grains, seeds, beans, canned goods, etc.

Second, by manufacturers who operate the year round, producing seasonal goods. They often store them as rapidly as produced until the selling season. Such firms find it cheaper to use public warehouses than to have their own storage space, whether they use this means of financing or not.

Third, the dealer who desires to finance his commodity and pay as he uses. He purchases a carload, secures a receipt, and passes the receipt to the bank, thereby paying the manufacturer, who in turn secures a release on each piece as he requires it. In this manner the dealer not only finances himself but has his goods stored, at a reasonable cost, where he can secure them as wanted. Many automobile dealers take advantage of this mode, especially early in the year when they secure many cars from the factory and have them on hand when the spring sale is on.

There are, of course, many other commodities handled in this manner, such as washing machines, radios, oils, animal foods, etc.

The warehouse has another important function in the problem of distribution, in that it handles pool and stopover cars, and in each instance the shipper saves the spread of freight cost between carload and less than carload freight rates.

Pool Cars

A pool car is a carload of one commodity being shipped to many consignees and is sent to a central point for distribution. The warehouse opens the car and checks out the merchandise, making notes of any shortage or bad order. Local goods are delivered to the consignees and a receipt taken and goods for nearby towns are delivered to the railroads or motor truck lines.

There is an outstanding advantage in delivering these goods to motor truck lines, as the goods are delivered direct to the customer without additional cost.

In regard to the stopover cars, manufacturers who use warehouses will ship part of a carload to a customer, but in order to take advantage of a saving in the freight rate they load the car to capacity and stop it at a warehouse in the territory of the customer to unload the surplus and place with their stock.

1929 Custom House Guide

A volume just issued is the 1929 edition of the Custom House Guide, published in New York. Priced at \$5, containing more than 1300 pages and edited by A. G. McCourt, former Assistant Superintendent of Bonded Warehouses, the book is invaluable both to the shippers who use warehouses and to the public storage executives.

Several sections of the Guide are devoted to warehousing. There are lists of the port's U. S. Customs bonded warehouses and of the merchandise, cold storage, household goods and tobacco warehouses, together with lists of warehouses at other ports. Information is set down as to general order storage regulations; procedure for bonding at warehouse in New York, and the commodities which are prohibited from storage under insurance regulations. The standard terms and conditions of the American Warehousemen's Association are printed in full.

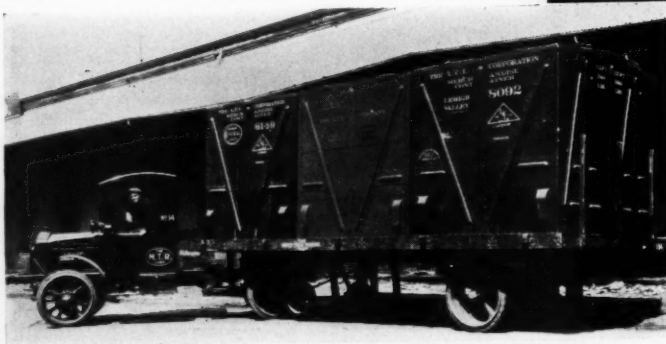
Pictorial Review of the New and Interesting

Right—ANOTHER MODERN MERCHANDISE PLANT: The White Line Transfer & Storage Co., Des Moines, Iowa, opens its fifth warehouse, 44 by 233 feet, formerly the Great Western freight building



Left—SOME STORAGE EXECUTIVES OFF DUTY—Grown up boys at play—members of the Missouri Warehousemen's Association between sessions at their recent annual convention in St. Louis

Right—"LET STORAGE HELP YOU": Scene at an exhibit of the Hartford Despatch and Warehouse Co. at the recent Home Progress Exposition in the Connecticut city. One impressed visitor gave the Hartford firm a \$1,200 job on the spot!



Left—A MECHANICAL LILLIPUTIAN AT WORK: A semi-trailer specially built by the Fruehauf Trailer Co., Detroit, for the Motor Truck Renting Co., Philadelphia, to handle freight containers for the Universal Car Loading Co. and the railroads

The Uniform System of Accounts As Prescribed in California

by the State Railroad Commission for Merchandise Warehousemen
Operating in Cities of 25,000 or More in Population

Part VI

Classification of Operating Revenue Accounts

General Instructions and Definitions

SECTION 1. Operating Revenue Accounts Defined. **Section 2.** Basis of Credits to Operating Revenue Accounts. **Section 3.** Delayed Operating Revenue Items.

Operating Revenue Accounts

- 500. Storage.
- 501. Handling in and out.
- 502. Unloading cars or vehicles.
- 503. Loading cars or vehicles.
- 504. Weighing.
- 505. Reconditioning packages.
- 506. Special labor.
- 507. Miscellaneous operating revenues not otherwise specified.

General Instructions and Definitions

Section 1. Operating Revenue Accounts Defined. Operating revenue accounts are those in which are recorded the amount which the warehouseman receives and becomes lawfully entitled to recover for services rendered as a public utility.

Section 2. Basis of Credits to Operating Revenue Accounts. Credits to the various revenue accounts shall be made upon the basis of bills rendered. Discounts for prompt payment, correction of overcharges, over collections theretofore credited and afterward corrected, authorized abatements and allowances and other corrections and deductions shall be charged to the revenue account to which they relate.

Section 3. Delayed Operating Revenue Items. The entries in the operating revenue accounts prescribed herein should, for a particular period or year, include, so far as practicable, all of the revenues earned during such period or year. In case, however, a revenue item is not recorded in the accounts for the fiscal period to which it applies, it should be included in the revenue accounts for the period in which the entry relating thereto is recorded, unless the amount of such delayed item is relatively so large that its inclusion in the revenue accounts for a single year would result in a seriously abnormal statement of operating revenues, in which case such delayed item may be included in profit and

AS explained in the January issue of *Distribution and Warehousing*, a uniform system of keeping accounts and records was prescribed by the California Railroad Commission, effective Jan. 1, for commercial warehouse companies operating in cities having a population of 25,000 or more and subject to the provisions of the State's Public Utilities Act.

The Commission's directing order was unprecedented in the history of the public storage industry, and it is believed that the outcome will be watched with interest by warehouse executives all over the country.

The first part of the California system was published in the January issue. Part II, "Balance Sheet Accounts," appeared in the February number; Part III, "Property and Equipment Accounts," in March; Part IV, "Classification of Profit and Loss Accounts," in April; and Part V, "Classification of Income Accounts," in May.

The text is resumed herewith and will be continued next month.

loss. (See Section 2 of General Instructions relating to Profit and Loss Accounts.)

Operating Revenues

500. *Storage.* Credit to this account all revenues derived from the storage of merchandise whether on square foot basis or basis of tariff. (Do not include non-utility space leases.)

501. *Handling in and out.* Credit to this account all revenues derived from the handling of merchandise in transit from warehouse door to warehouse platform into the warehouse and delivery of same from the warehouse to the warehouse door or warehouse platform.

502. *Unloading Cars or Vehicles.* Credit to this account all revenues derived from handling merchandise at

warehouse out of cars or from vehicles onto warehouse platform or to warehouse door.

503. *Loading Cars or Vehicles.* Credit to this account all revenues derived from handling merchandise from warehouse door or warehouse platform into cars at warehouse or in vehicles.

504. *Weighing.* Credit to this account all revenues derived from weighing merchandise either into or out of warehouse.

505. *Reconditioning Packages.* Credit to this account all revenues derived from the reconditioning of damaged packages. This does not include the reconditioning of commodities contained in packages.

506. *Special Labor.* Credit to this account all revenues derived from labor furnished on an hourly basis.

507. *Miscellaneous Operating Revenues Not Otherwise Specified.* Credit to this account all operating revenues (public utility) not otherwise provided for.

Note: Next month, "Classification of Operating Expenses."

Griswold & Walker Office Established in New York

Griswold & Walker, Inc., Chicago, has established an eastern office at 415 Greenwich Street, New York City.

This is the address of the Independent Warehouses, Inc., with which the Chicago warehouse company has effected a reciprocal arrangement whereby the soliciting staffs of the two firms are representing each other.

Ivory Performs Big Job

The John F. Ivory Storage Co., Inc., Detroit, recently removed the office equipment of the Union Commerce group of institutions into the new Union Trust Building during one week-end. Ordinarily the job would have required transport of 250 van loads. The Ivory firm used side-door vans and did the work on 200 trips.

March Figure of 70% Occupancy Is Highest Mark in Fifteen Months

Department of Commerce Statistics Show Gain of 1.7 Per Cent Over February Tonnage Moved in Greatest Volume Since Last October

By KENT B. STILES

OCCUPANCY as high as 70 per cent has been reported for the country as a whole for the first time since the Bureau of the Census of the United States Department of Commerce began assembling occupancy and tonnage figures and issued its initial report covering January of 1928.

During last year and in the first two months of 1929 the occupancy percentages ranged from 61.1 (September) to 69.9 (March, 1928) but never reached 70.

This high mark was attained at the

end of March of this year, as reported to the Department of Commerce by 541 companies operating 1,221 warehouses, it was announced in Washington on May 17.

The 70 per cent compares with 68.3 per cent for the close of February and the figures on which it is based are subject to revision as additional reports are received.

Not only did occupancy increase in March, but the tonnage movement was larger, by 78,276 tons, than February's total. Moreover a larger percentage of

the arriving goods went into storage. More tons reached the reporting warehouses than in any other month since last October, while the percentage which remained in storage was the highest recorded since May of 1928.

The revised February and tentative March figures as issued by the Government are set down in the accompanying table.

Occupancy

COMPARING the February and March returns, we find occupancy gains, the later month, in all the New England, Middle Atlantic and East North Central States with two exceptions—Pennsylvania and Michigan. The increase for the country as a whole was reflected also in Kansas, the Virginias, the Carolinas, Kentucky and Tennessee grouped, Idaho and Wyoming and Montana grouped, Oregon and California.

The greatest gain, 10.1 per cent, was recorded by the 329 New York reporting warehouses. The extreme recession, 8.5 per cent, was reported by the 55 Texas companies which sent in returns.

Notwithstanding the high mark for the country as a whole, for March, only seven States had an occupancy higher than 80 per cent in that month, as compared with fifteen States at the close of February. The seven States are North Dakota and South Dakota, together ranking at the top with 93.5 per cent, followed by Ohio, Wisconsin, Kansas, Missouri and Indiana, in that order, Indiana having passed the 80 mark between the two month-ends. Minnesota, Georgia-Florida, Alabama-Mississippi, Arkansas-Louisiana-Oklahoma and Texas had all dropped below the 80 mark by the close of March after having scored better than that occupancy percentage at the end of February.

Massachusetts and Vermont grouped continued at the lowest occupancy mark, 48.9 per cent, at the close of March, although the 44 warehouses reported figures indicating nearly a 1 per cent gain. The only other States having a percentage under 65 at the close of the third month were Washington, New York, and the group Delaware, Maryland and District of Columbia, all of which showed gains except Washington. Connecticut,

PUBLIC MERCHANDISE WAREHOUSING February-March, 1929

Division and State	Number of Warehouses		Per Cent of Floor Space Occupied		Tonnage			
	Feb., 1929	March, 1929	Feb., 1929	March, 1929	Received During Month	Delivered on Arrival	Received During Month	Delivered on Arrival
					February, 1929	March, 1929	February, 1929	March, 1929
NEW ENGLAND:								
Mass. and Vt.	44	44	48.0	48.9	*12,349	1,347	13,240	1,728
Conn. and R. I.	15	15	63.0	66.6	*5,109	*2,362	4,285	2,695
MIDDLE ATLANTIC:								
New York	333	329	51.6	61.7	56,574	25,318	109,580	18,114
New Jersey	52	52	73.6	76.3	22,363	8,127	62,647	1,583
Pennsylvania	56	56	*72.6	72.0	*27,461	*9,882	28,834	4,214
E. NORTH CEN.:								
Ohio	32	31	*85.6	88.0	32,526	*4,768	35,799	4,725
Indiana	18	18	*77.3	80.8	2,914	1,441	3,168	1,378
Illinois	60	58	76.6	78.2	52,428	8,907	57,544	10,270
Michigan	54	54	69.5	69.4	16,878	2,864	17,727	3,255
Wisconsin	36	36	*85.0	85.2	*7,702	*3,679	8,255	2,713
W. NORTH CEN.:								
Minnesota	36	36	*80.7	79.4	*18,958	*6,298	13,491	8,105
Iowa	21	21	*72.3	68.6	*5,210	*1,534	5,983	1,845
Missouri	20	21	86.2	82.4	11,394	1,412	9,119	1,716
N. Dak. and So. Dak.	9	9	93.8	93.5	1,512	343	1,976	398
Nebraska	22	22	75.4	74.9	8,011	2,919	7,806	3,082
Kansas	17	19	82.9	83.0	16,205	4,512	5,151	4,757
SO. ATLANTIC:								
Del., Md., and D. C.	41	41	54.5	53.4	43,796	15,220	36,080	8,130
Va. and W. Va.	31	31	69.1	69.3	7,511	42,097	5,991	42,274
N. Car. and So. Car.	12	12	64.3	65.1	1,672	399	1,871	569
Ga. and Florida	29	29	82.7	77.8	6,738	1,644	8,268	2,388
E. SOUTH CEN.:								
Ky. and Tenn.	16	15	*74.3	74.6	*9,784	*1,743	10,054	1,703
Ala. and Miss.	11	11	84.5	77.5	1,920	1,428	1,758	1,513
W. SOUTH CEN.:								
Ark., La., and Okla.	20	20	82.9	79.8	26,808	3,128	14,892	2,975
Texas	55	55	86.6	78.1	*15,265	*7,064	15,495	7,497
MOUNTAIN:								
Idaho, Wyo., Mont.	8	8	*73.9	74.9	515	791	710	993
Ariz., Utah, Nev. and N. Mex.	15	15	80.7	77.0	5,037	1,700	5,095	1,502
Colorado	17	17	*76.2	75.7	*2,205	*1,960	2,540	2,145
PACIFIC:								
Washington	31	31	*70.0	64.6	*4,252	*2,780	7,461	4,774
Oregon	8	8	66.5	66.7	17,346	18,450	17,898	18,266
California	108	107	*73.1	75.6	*28,114	*6,006	34,873	8,058
Total for United States.	1,227	1,221	*68.3	70.0	*468,557	*184,123	557,591	173,365

*Revised.

Rhode Island and the Carolinas passed the 65 mark.

Tonnage

SIX fewer warehouses reported for March than for February, but this was balanced somewhat by March having three more days. The 1,221 plants in March received 730,956 tons, an increase of 78,276 tons over the February total, 652,680 tons, as reported by 1227 companies.

Of the 730,956 tons in March, 557,591 tons, or 76.3 per cent, entered storage on arrival, the balance being delivered at once. This compares with 71.8 per cent in February, when 468,557 out of the 652,680 arriving tons went into storage.

The month's gain, 4.5 per cent for the country as a whole, was not reflected in the New England, West North Central, South Atlantic, East South Central and West South Central sections. The maximum drop was nearly 10 per cent, in the West North Central group comprising Minnesota, Iowa, Missouri, the Dakotas, Nebraska and Kansas.

In the other four sections were recorded gains, in March over February, in the percentages of goods entering storage. The extreme advance was 15.8 per cent, in the Middle Atlantic States of New York, New Jersey and Pennsylvania. In New York 45,802 more tons arrived in March than in February, and 85.8 per cent of the March volume went into storage as compared with 69.1 per cent of the February tonnage received. This group of three ranked highest, with 89.8 per cent, in March. At the foot were the South Atlantic States, with 49.5 per cent.

February, 1928 and 1929, Compared

COMPARING the revised February figures, as set down in the table on page 20, with those of the same month

Every warehouseman receiving the monthly questionnaires from the Department of Commerce owes it to himself and his industry to send in replies promptly.

in the previous year, we find that the 68.3 per cent occupancy this past February for the country as a whole represents a drop of four-tenths of 1 per cent, as the occupancy percentage in February of last year was 68.7.

In February of 1928 only three States reported occupancy better than 80 per cent—Alabama and Mississippi grouped (82.4) and Wisconsin (80.7). In this past February there were fifteen such States, as already mentioned.

Following are the comparative percentages for the last two Februaries:

	February 1928	1929
New England		
Massachusetts and Vermont... (1928 figures include also Maine and New Hampshire)	46.1	48.0
Connecticut and Rhode Island.. Middle Atlantic	59.1	63.0
New York	69.2	51.6
New Jersey	75.7	73.6
Pennsylvania	66.6	72.6
East North Central		
Ohio	76.4	85.6
Indiana	74.8	77.3
Illinois	76.5	76.6
Michigan	71.3	69.5
Wisconsin	80.7	85.0
West North Central		
Minnesota	73.2	80.7
Iowa	74.0	72.3
Missouri	78.2	86.2
North and South Dakota.....	79.0	93.8
Nebraska	79.4	75.4
Kansas	78.8	82.9
South Atlantic		
Del., Md. and Dist. of Columbia	58.6	54.7
Virginia and West Virginia...	69.1	69.1
North and South Carolina....	59.8	64.3
Georgia and Florida	71.2	82.7
East South Central		
Kentucky and Tennessee.....	78.5	74.3
Alabama and Mississippi.....	82.4	84.5

	February 1928	1929
West South Central		
Ark., La. and Oklahoma.....	58.2	82.9
Texas	64.3	86.6
Mountain		
Idaho, Wyo. and Montana....	54.3	73.9
Ariz., Utah, Nev. and New Mex.	75.5	80.7
Colorado	78.3	76.2
Pacific		
Washington	54.3	70.0
Oregon	68.9	66.5
California	70.7	73.1
United States	68.7	68.3
Warehouses reporting	1336	1227

Comparing February of 1928 with February of 1929 with relation to volume, we find that during the former period 602,004 tons reached the 1336 reporting warehouses, and 503,295 tons, or 83.6 per cent, went into storage, the balance being delivered on arrival.

This compares with 71.8 per cent during the present year's February, when 652,680 tons arrived, of which 468,557 tons went into the warehouses.

Thus the loss this past February under the corresponding month in 1928 was 11.8 per cent.

By divisions the relative percentages are as follows:

	February 1928	1929
New England	75.5	82.6
Middle Atlantic	94.3	74.0
East North Central.....	87.8	83.8
West North Central.....	70.4	78.3
South Atlantic	78.5	50.2
East South Central.....	78.6	78.7
West South Central.....	72.5	80.5
Mountain	60.0	63.5
Pacific	84.2	64.6
United States	83.6	71.8
Warehouses reporting	1336	1227

The February, 1929, occupancy percentage, 68.3, for the entire country, compares with 67.7 per cent as the average for the entire year 1928.

The February 1929, percentage, 71.8, for the entire country, of goods entering storage out of the total volume arriving, compares with 75.5 per cent as the average for the entire year 1928.

Advertising Announcements Which May Suggest Potential Accounts for Warehousemen

The Moxie Company of America, Boston, announces that its advertising appropriation for 1929 will be the largest in its history. This appropriation will be divided approximately as follows: Newspapers, 60 per cent, outdoor advertising 25 per cent, and store cards, booklets, etc., 15 per cent.

This advertising will be under the direction of Frank M. Archer, president, who has directed the Moxie advertising for a large part of the past forty-five years.

The Kenyon Company, Inc., Boston advertising agency, handles the Moxie account.

The Galloway Company, Waterloo, Iowa, will conduct a campaign in the near future in Canadian farm papers on the Galloway Cream Separator. McConnell & Fergusson, Ltd., Toronto advertising agency, will direct this campaign.

Twenty-four wholesale drug houses have been added to the McKesson & Robbins' system of distribution and service and are now affiliated with and operating as units of McKesson & Robbins, Inc., of Maryland.

All nationally advertised drug and toilet goods products, according to the company, will be handled by McKesson & Robbins for resale to retail drug stores. The plan now being put into operation is effective for all drug manufacturers without discrimination, and is planned to lower distribution costs and greatly increase sales to the public.

The advertising account of Kirkman & Son, Brooklyn, N. Y., soap products, has been

placed with the New York office of Ewing, Jones & Higgins, Inc., advertising agency.

Tishken Products, Detroit, makers of Bull Dog door props and other products, and the Streamline Pump Company, electric spray paint equipment, have appointed Whipple & Black, Detroit, advertising agency, to direct their advertising accounts. Tishken Products will use magazines and the Streamline Pump Company will use trade papers and direct mail.

F. A. D. Andrea, Inc., Long Island City, N. Y., manufacturer of Fada Radios and Fada Full Dynamic Speakers, will spend \$1,000,000 in its advertising campaign for 1929, according to F. A. D. Andrea, president. This appropriation, which is the largest in the history of the Andrea company, will be used to increase its newspaper advertising in addition to a magazine campaign. Radio and direct-mail advertising will also be used.

The Seabreeze Laboratories, Pittsburgh, makers of Seabreeze, a skin lotion, have appointed Bissell & Land, Inc., advertising agency of that city, to direct their advertising account. Newspapers will be used.

The National Cellulose Corporation, New York, has appointed Kelly, Spilne & Watkins, Inc., New York advertising agency, to direct its advertising account. The Cellulose corporation, which manufactures a line of cellulose products, such as Facel Cleansing Tissues, etc., will use newspapers and magazines.

The Rowe Manufacturing Company, Galesburg, Ill., is planning an advertising campaign

in Canada, on Ro-Ho Gardeners, a new gardening machine. This advertising will also be directed by McConnell & Fergusson, Ltd.

The advertising account of the A. C. Neon Corporation, New York, manufacturer of McCullough radio tubes, controlling interest of which was acquired recently by O. W. Ray, has been placed with the Percival K. Frowert Company, Inc., New York advertising agency.

The Craftex Company, Boston, maker of Craftex texture wall finish and Sunflex, a water paint, has appointed Wolcott & Holcomb, Inc., advertising agency of that city, to direct its advertising account.

A. A. Vantine, New York, manufacturer of incense, has appointed Hommann, Tarcher & Sheldon, Inc., New York, advertising agency, to direct its advertising account. This appointment includes the advertising of Zanadu, a line of toilet goods and beauty aids, manufactured by A. A. Vantine.

The United States Radio and Television Company, Chicago, has appointed Vanderhoof & Company, advertising agency of that city, to direct its advertising and sales promotional activities. Magazines, newspapers and business publications will be used in advertising both Radiotrope and Apex brands.

The National Consumers Paper Corporation, New York, has appointed the Lyon Advertising Agency, Inc., of that city, to direct the advertising of Non-Spill and Royal paper cups. Newspapers will be used for both products.

No. 70

F. R. Long

By ELIZABETH FORMAN



In oval, Fred R. Long, president of the merchandise division of the American Warehousemen's Association and manager of the S. N. Long Warehouse, St. Louis



The railroad-served storage building, containing 100,000 sq. ft., of the S. N. Long company in St. Louis

BACK in the days of the expression "Jones paid the freight"—through the nose—a struggling young warehouseman in St. Louis was given an order to unload a shipment of railroad ties from one car to another and send them along on their way into another State. They did not change railroads. They did not even change trains.

And this set the young man to thinking.

That was in 1910 or '11. The company shipping the ties had found that there was in effect an interstate freight rate which made it cheaper to ship a consignment to St. Louis, put it in another car, and ship it beyond—instead of sending it direct to its destination. Thus a shipment from Slago to St. Louis was ten cents and from St. Louis to Cleveland ten cents, while from Slago to Cleveland the charge was thirty-five cents. But a load had to stop in St. Louis to enjoy the intrastate rate.

The young man whose firm was commissioned to shift that first carload of ties is Fred R. Long, manager of the S. N. Long Warehouse, St. Louis, and president of the merchandise division of the American Warehousemen's Association. It was an interesting situation, and Mr. Long saw its possibilities. Up to that time the business, which had been founded by his father, had been just jaunting amiably along; but that year the younger member of the firm gave up his vacation to confer with tie company executives all over the country, with a view to getting them to consign their product to him.

They did, and in the year which followed—before the rail carriers changed the rates so as to make the unloading and reloading unprofitable—the S. N. Long Warehouse founded a comfortable fortune.

Fred R. Long was born in Winchester, Ohio, a small town. When he was about six years old he removed with his parents to St. Louis, where he attended public school and old Central High School, the latter the only high school in the city at the time.

Leaving his studies, he tried the lumber business at Poplar Bluffs, Mo. But Fate was not kind. Meanwhile S. N. Long, his father, had founded the warehouse business, in St. Louis, so when the son had been out of school four or five years he took over the management. That was about twenty-five years ago. Today the Long warehouse has a capacity of approximately 100,000 square feet.

Mr. Long knew nothing about storage problems when he became manager of his father's concern. He started at once to study them, reading various periodicals which might be of assistance, and attending the conventions of the American Warehousemen's Association, to which he attributes much of the credit for his success.

The interesting and profitable experience with the shifting of railroad ties fell to Mr. Long's lot because he sensed the importance of getting the situation in hand before anyone else did it first. And after that, more staple accounts came his way, the first being that of the American

(Concluded on page 44)

Stories

No. 71

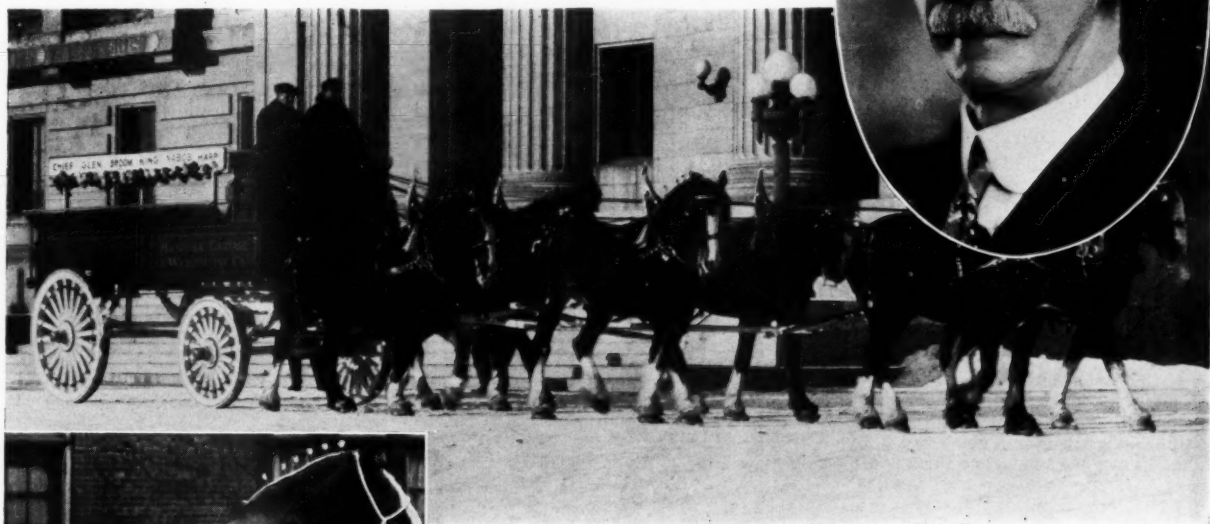
George H. Chadwick

By ELIZABETH FORMAN

Album Out of Storage!

In oval, George H. Chadwick, president of the Canadian Storage & Transfermen's Association and secretary of the Manitoba Cartage & Warehousing Co., Ltd., Winnipeg

Below, some of the 150 draft mares and geldings of the Winnipeg firm



Left, Chief, one of the Manitoba firm's geldings, which won a grand championship ribbon at Chicago in 1924

PICTURE in fancy the Winnipeg of forty-three years ago—a sturdy pioneer town in the heart of the Canadian prairies where roaming buffalo, rebel Indians and rickety Red River carts had scarce disappeared.

There was but one railroad, for that was long before the lusty young Canadian National line had reared its head; and there was only one warehouse, a frame building of meagre proportions as compared with the modern fire-proof depositories of today.

That was the city to which George H. Chadwick, president of the Canadian Storage & Transfermen's Association, which meets in Regina this month, had migrated from his natal town, Birmingham, England. He had "taken

a notion" to come to Canada, and he had money enough to get him that far.

Wholesalers took care of their own business in those days. Little warehousing space was required, and, in contrast with the present system of delivering orders within the hour, the handling of merchandise was a leisurely business, any time today or tomorrow being quite satisfactory.

In a Winnipeg warehouse the young adventurer from England got a position—and he has been there ever since, as warehouseman, as dispatcher for seventeen years, and finally as operating executive. The firm is the Manitoba Cartage & Warehousing Co., Ltd., of which he is secretary.

There were no typewriters and carbon paper in those early days. Letters were written in long hand with pen and ink and run through a hand press to make extra copies. And though the change has come through gradual growth, contrast that with the five or six hundred orders which the company now handles in a single day, sending teams out on collections of goods or making store door deliveries.

The Manitoba firm holds a contract with the Canadian Pacific Railway for the handling of freight. Under this

(Concluded on page 45)

TWO BITS

Vol. IX. No. 11

A Bit Here, A Bit There

Gotham, June, 1929

TWO BITS will have to close down shop & discontinue itself permanently unless more poets & wags in the storagers' industry contribute to help fill up space.

HERE we are in No. 11 of Vol. IX, & our Aug. *Two Bits* (if 1 appears) will start this magazine on the 10th yr of its dignified & noble career. You would think that in 9 yrs' time we could have educated storagers to send in snappy items & verse for public'n so they could get their names in print. Their failure to do so leads Ye Ed. to believe that they don't read the darned paper, which is just what we have been suspecting for a long time.

"IF they don't read it, why go on publishing it?" asks a Scotch voice—Andy Murray's, who we didn't know was looking over our shoulder when we started writing this.

That is a question we cannot answer on a/c there doesn't seem to be any answer to it. We merely tell you what Andy asked. You should act accordingly & send us in snappy items & verse.

IN the absence of contribut'ns & on a/c that the space has got to be filled up somehow, we will tell you that the Certain Party whom we got wedded to on Jan. 4 has gone to Europe for a few mos.

HER departure, May 4, thrust Ye Ed. back into the status of temporarily living a bachelor existence again like we did before & up to Jan. 4, & we will be again exuberated only when mid-Aug. arrives & the Certain Party gets back to Gotham.

BACHELOR existence has its good points, which we will not tell you about on a/c that a Certain Party contemplates calling on Jimmy Hoeveler, the Pittsburgh storager who has a warehouse in Paris, & Jimmy might show her this issue of *Two Bits*.

BACHELOR existence has its tough times also. Balancing the good points vs. the tough times, our personal unanimous vote is for the Certain Party to grab the 1st ship home.

FOR example, as to the tough times, Ye Ed. found himself the other day in dire need of a safety pin. We will not give details as to why but will say simply that we was in dire need, as stated.

In our dilemma, which made us regret that we had consented for the Certain Party to go to Europe, we suddenly re-

called the packages of sewing utensils which Art Smith, the Washington, D. C., storager, gives away liberally at conventions to advertise his co.

Our recollection included that at various N. F. W. A. conventions which Art attended Ye Ed. had collected 84 packages of Art's sewing utensils. Even in those days we was contemplating to get wedded this past Jan. 4, & we figured that Art's sewing utensils might thereafter come in handy.

So in dire need for a safety pin the other day, as already mentioned, we assembled the 84 packages of Art's sewing utensils & began opening them, 1 by 1, in search of a safety pin.

The 1st package was opened at 6 P.M. & we got down to the 84th at 2 the next



"Two Bits" editor caricatured by a Gotham newspaper artist, this being a good picture of a cigar.

morning & to our horror there was plenty of needles of varied sizes but not a safety pin of any dimensions whatever.

We enumerate the foregoing for 3 reasons:

1. To help fill up space because storagers are negligent about sending in snappy items & verse.

2. As a hint to Art that he should put some safety pins in his packages of sewing utensils hereafter, on a/c he should realize that a lot of the storagers to whom he peddles the packages are bachelors who know how to use safety pins but reckon little as to what to do with needles.

3. In the hope that a Certain Party will read this June *Two Bits* at Jimmy Hoeveler's warehouse in Paris & generate sufficient sympathy to want to grab the 1st ship home, though what she is likely to do is to mail us a package of needles, thinking that to be an elegant joke on Ye distracted Ed.

WE will relate another of the tough times which a bachelor runs up vs.

Discovering acceptable restaurants, even in a metropolis like Gotham is, requires considerable research work.

Well, the other morning we found a new place on Broadway, yclept Baxter's, which has a sign "Waffles and Things," & it looked like maybe a good place to breakfast in, so we entered & called for a menu. It included a combination re-past, for 35c, comprising:

1 waffle
1 cup of coffee
1 dish of prunes

On a/c we hate prunes we ordered waffle & coffee, which was O.K. both, & then asked for our check, on a/c we had no intention of walking out without paying for the breakfast.

The young lady handed us our check & it said 40c.

We started an argument, on a/c we had thought it would be 35c, so the young lady intelligently explained that, on a/c we had not ordered any prunes, we had been billed for 1 waffle at 30c and 1 cup of coffee at 10c, or 40c total. She showed us the menu whereon it said that a waffle was 30c & a cup of coffee 10c.

So if we had ordered the prunes we would have saved 5c, only the menu did not say so.

We recount the foregoing to you so you will know the real reason why we got wedded on Jan. 4 so that we would not have to live a bachelor existence any longer.

MEANWHILE it will be recalled that Mike Murray, the Chicago storager, several years or so ago quit living a bachelor existence & got wedded, though probably not for the same reason. We mention Mike at this point on a/c we have just got a letter announcing that Michael Joseph Murray, Jr., has arrived, which conceivably will again suggest safety pins, & how about that, Mike, by this time?

Andy Murray, *Two Bit's* business mgr, who is no relation to Michael Joseph Murray, Jr. or Sr. either, has wired Jr. that he should not let Sr. bring him up to be either a storager or a publisher but should make a cop out of him, on a/c cops worry less than storagers or publishers.

WELL, 1 way to help fill up space is to use illustrations, & you will note that this mo. we use 1.

The illustration is reproduced from a recent issue of the *Three Em Dash*, which is the newspaper of The Newspaper Club, of which Ye Ed. is a member with our dues paid up to June 30.

BOOKS AND PAMPHLETS OF INTEREST TO THE INDUSTRY

These Can Be Supplied, at the Prices Indicated, by

DISTRIBUTION AND WAREHOUSING

249 West 39th Street, New York City

Distribution and Warehousing's Warehouse Map of New York City

Price \$2.00

This map, in colors, and produced for us by Rand, McNally & Co., sets down the geographical locations of public warehouse companies—merchandise, household goods and cold storage—listed in the New York City sections of our 1929 Warehouse Directory (January) issue. Each company is designated by a number, and the companies' names and their corresponding numbers are shown.

On regular map paper, with metal edges top and bottom. Size, 23 by 33 inches. . . . For the shipper of commodities and household goods into the New York territory this map will be found invaluable.

Corporations Doing Business in Other States 5.00
State Regulations and Requirements
By H. A. Haring

The Distribution Age 3.20
A Study of the Economy of Modern Distribution.
By Ralph Borsodi

Household Goods Warehousing in the United States 6.00
Selection of site, building design and construction, accounting, stowing, insect control, estimating, cartage, packing, rates, insurance, etc.
By Clarence A. Aspinwall

The Merchandise Warehouse in Distribution 0.10
A Department of Commerce publication.

The Railroad Freight Service 5.20
Practical information for traffic executives.
By Grover G. Huebner and Emory R. Johnson

Standard Contract Terms and Conditions 0.05
A Department of Commerce publication.

Suggestions for the Practice of Commercial Arbitration in the United States 1.85
Prepared by the American Arbitration Association.

Trade Associations: The Legal Aspects . . 5.10
Trade association law, statistics, uniform cost accounting, credit bureaus, purchasing, standardization.
By Benjamin S. Kirsch

Traffic Management 3.70
A comprehensive treatment of traffic management.
By G. Lloyd Wilson, Ph.D.

United States Warehouse Act 0.05
Regulations, as prescribed by Department of Agriculture, for warehousemen storing canned foods.

Warehouse Directory (subscription to Distribution and Warehousing included) . . . 3.00
The industry's annual reference volume, containing statistics and data regarding warehouse companies throughout the United States and Canada. The 1929 edition appears as part of the January issue of *Distribution and Warehousing*. Single copies each 5.00

Warehouse Forms 0.10
Simplified Practice Recommendations No. 34 of the U. S. Department of Commerce. Describing and illustrating the standard warehouse documents approved by the Government.

Warehousing 10.00
Trade customs and practices; financial and legal aspects.
By H. A. Haring

Warehousing General Merchandise—An Encyclopedia
Prepared by the American Warehousemen's Association.
Regular Edition to A.W.A. members: Vol. I, \$10;
Vol. II, \$5. Both 12.50
Regular Edition to non-members: Vol. I, \$15;
Vol. II, \$7.50. Both 20.00
De Luxe Edition (limp leather binding, India paper) to A.W.A. members: Vol. I, \$15; Vol. II, \$7.50. Both 20.00
De Luxe Edition to non-members: Vol. I, \$20;
Vol. II, \$10. Both 25.00

Please Send Payment With All Orders

H. A. Haring's

New Business for Warehouses

No. 43

Department Store Folding Boxes as a Source of Revenue

DEPARTMENT stores use the dollar mark in their advertising, they having originated the price scale of 79c., \$4.98 and \$14.75. Their weapon against the independent dealer has been largely that of prices. These low prices have been the result of concentrated buying power, plus skill in store management.

At a recent convention of the national organization of retail drygoods stores the meetings stressed another side of department store management—namely, that of elimination of waste in their own supplies and packing methods.

One feature much discussed was the use of folding boxes, for which single item it is reported that an annual saving of \$739,200 is possible, without in any way cutting service to customers. The saving will result entirely from simplification of folding boxes and stand-

ardizing their sizes; and, so important is this new step in cutting costs for department stores, that leading manufacturers of boxes have employed engineers to conduct intensive studies of department stores in different cities to determine proper sizes and weights and the most economical shapes.

Similar efforts to cut waste are being made for all sorts of supplies used by department stores in the endeavor to eliminate preventable waste. Other items at which the department stores are directing attention include wrapping paper, tissue paper, twine, package handles, tape, paper-clips, order books, corrugated rolls, toilet paper, floor coverings, cleaning materials, display fixtures. It is told that a total of \$9,240,000 may be cut from their costs each year by department stores from such sources as these.

By Cities, Not by Chains

THE first adoption of this movement came at Boston, where the department stores tried centralized purchasing for supplies. The method was this:

Using one store as a sort of laboratory, men went into every department that used folding boxes, took from stock all merchandise that ever was packed in boxes, had it folded in various ways to determine which was the most practical and economical, and measured the dimensions of the merchandise in folds. It was then a simple matter to determine the proper sizes of boxes. When this operation had been completed for the whole store, considerable work was done with combinations and eliminations and then the resulting box sizes were tried out in four other department stores in the city.

In Boston this method reduced the number of sizes of folding boxes from 46 to 18, the number of styles from 9 to 3, and the number of colors from 5 to 2. For gift boxes, as another illustration, the sizes were reduced from 342 to 79.

The purpose of the Boston investigation was to permit local department stores to purchase supplies through a central purchasing office. Boston is now doing this successfully. New York department stores are doing the same. Cleveland department stores are now considering it. It is found that local conditions and delivery customs are important in this matter. Greater economies result from purchasing by city groups than by chained groups that spread over many cities; or, as stated by the investigators:

"It is a proved fact that greater economies in central purchasing will develop from geographical units than from ownership groups, provided the members will adhere to the standards established."

The New York group has made most progress. Its members claim to have effected a saving of 25 per cent by replacing manila wrapping paper with kraft paper, 16 per cent by reducing the sizes and weights of tissue paper for wrappings, and 17 per cent by reducing the number of sizes of corrugated boxes.

For the No. 1 folding box, breakage was reduced 17 per cent by establishing standard specifications of tensile strength and bursting strength. After these specifications were adopted and accepted by the makers of boxes, all deliveries were actually tested; and, from the tests, came a large part of the economies.

Supplies Cost More Than Taxes

THE investigations show that for department stores, in this country, doing \$1,000,000 and more of business a year, the expenses for supplies exceed those of insurance or taxes. In fact, supplies are greater than both insurance and taxes.

Only three of the "out of pocket" expenses of department stores require more cash than supplies. Those three are salaries, rent and advertising, with percentages of 16.4, 3.4 and 3.3 respectively of the total expenditures of the stores. Supplies amount to 1.4 per cent of the total, taxes 0.5 and insurance 0.35. This means that for every dollar of insurance, \$4 was spent for supplies; with

\$3 for supplies for every one spent for taxes. Expressed in dollars, the supplies cost the department stores of this country not less than \$92,400,000 a year.

With supplies costing this vast sum, the department stores are intent on saving at least 10 per cent by eliminating wasteful practices. One of those relates, as we have seen, to folding boxes.

Testing Deliveries

THE department stores of Boston and New York quickly discovered that their waste arose from two sources.

First, they had not standardized their purchases; they were buying too many sizes and varieties and they had not worked out scientifically the size and weight of box economical for each commodity. They were buying by guess, or merely following custom which had no planned method.

Secondly, they discovered that even when they bought on specifications the boxes as delivered failed to meet the test.

"Experience has taught us," says the report, "that unless these standards are lived up to by the box manufacturers we leave ourselves open to doubtful trade practices from them. As proof, let us cite the results of our laboratory testing of samples of board of No. 3 finish. Every sample examined except one was under weight and in the following percentages:

Per Cent	Per Cent
8.7	13.4
22.7	25.5
23.4	28.6
5.8	21.7
	23.9

"The average under-weight of all samples was 14.5 per cent. All this

shows that a heavy sheet of board can be made to a specified caliper of thickness, and a light sheet can be made to that same caliper. The difference in weight in the sheets, however, is one of the prime factors in quality. The bursting and tensile strength of the box decreases as the weight of the material decreases.

"Quality in boxboard can be determined by machine tests. Waste and broken packages will creep into our stores if tests are not made of deliveries from the box manufacturers. Guesswork must be eliminated. Lack of weight in their boxes cost one store that we know of about \$3,500 in a single year for this one item of folded boxes."

Agreeable to Box Manufacturers

UPON exposure of these facts, the associations of box makers indicated their willingness to meet the department stores' demands. Honest manufacturers had everything to gain by setting up tests, because the tests would expose underhand practices of their less honorable competitors. Only the manufacturer who was resorting to light weight and inferior material voiced a complaint.

A large cordage mill owner says:

"The benefits of such a program of standardization both to manufacturers and users are so readily apparent that we believe no arguments are necessary as to the general wisdom of such standardization."

A leading box manufacturer says:

"Such a standardization program would be bound to have its effect on the selling price—should have its effect also on the servicing of consumers and quite likely the cost of production would also be somewhat reduced. You may rest assured that anything constructive along these lines will certainly have our hearty support."

The department stores declare that it is most important for them to determine that the manufacturers with whom they deal are reliable and honest. The difference of only half an inch in any dimension on an order for 100,000 folded boxes amounts to \$175. These half-inches are worth saving, provided the manufacturers can be held to weight and quality which will yield the proper strength with the smaller size.

The department stores propose, therefore, to test all deliveries.

Transportation and Warehousing

INDIVIDUAL stores, even large ones, are not equipped for this testing. They therefore plan for each city to buy on a group plan. All department stores will buy such supplies through a central purchasing department.

The report of the executive staff further declares:

"In a number of cities we have already found it economical and practical to pay a trifle more in the initial purchase price and to ship a full carload of assorted sizes at one time, store them in a public warehouse, and have

them delivered to the stores as needed."

The box manufacturers have told the department stores that carload runs give lower costs. If they can make mill runs of many carloads the cost will be still lower. The plan, as at present outlined, is therefore to contract with the mills and the box makers for large runs of standard weights and standard box sizes, with storage of six months' supply in each city, for withdrawal as needed.

One disputed point is:

"Who pays for the warehousing?"

The department stores naturally want these costs to be borne by the box makers. They know, of course, that in the end the purchaser of the boxes will pay all the costs as a part of the price, but they are anxious to throw on the box manufacturers the burden of carrying the inventory investment during time of storage.

"We need our own warehouse spaces for other purposes," states a department store manager, "and, then, no one knows which department store in the city will use the goods. The only thing is to shoot them to public storage as they come from the mills."

This business will not be confined to the large cities, although it gets a start with them. The movement for simplified folding boxes is sponsored by the national association of department stores. What the stores find economical for New York, Boston and Cleveland will quickly be adopted by department stores in Schenectady, Fargo and Fort Worth.

Haring's Distribution Article (Concluded from page 14)

"Ample spot stocks are the answer," declares one steel manufacturer, when discussing the recent Truscon factory at Los Angeles; but the futility of that answer is shown by the fact that a junior officer was at that very time bound for the Coast to search out a likely location for a six or eight acre factory.

"To save freight," is the usual reply to a query. Of twenty-one manufacturers to whom I have put this question within six months, nineteen gave that identical answer (eight with branch factories at Atlanta, six at Los Angeles or Oakland, three at St. Louis and four in Texas cities).

From the same inquiries came such further comments as the following:

"It's only a few pennies at a time and sometimes I wonder whether we didn't overestimate the value, but our sales department tell me those pennies make or break sales. I know the pennies make the profits, too."

"We save freight on our raw material. Enough is gained right there for the cost of the plant. It is simple to transport to the new plant our engineering principles and our best machinery. We can buy as good help there as at home. So when we can cut on the raw material, we put ourselves in velvet for meeting prices."

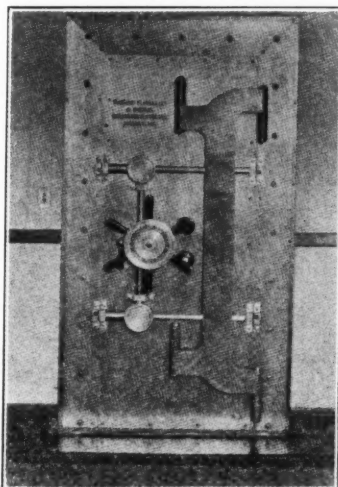
"Just the difference in freight rates isn't all the story. We find that complete stocks at handy spots expand busi-

ness. With orders to be shipped in our business [a steel product] delays are the important thing. If a consignment gets hung up on the road, the customer loses and we can't sell him next time. Some times, too, a shipment is damaged so that the stuff can't be used. The adjustment of the claim still doesn't satisfy the customer, because he's out more than

that. The only way to run our business is to cultivate the market within 500 miles of the mill. That means, I suppose, we ought to have four or five mills to cover the nation."

And so, in the face of many other reasons, the fundamental reason for spreading out our manufacturing is the freight rate structure.

"Electrolux" Fumigation Installed by Brooklyn Firm



THE Thomas F. Healey & Sons Warehouse & Storage Co., Inc., Brooklyn, has installed a method of moth destruction and storage protection service called "electrolux" fumigation, which is a development of the Bureau of Entomology of the United States Department of Agriculture. Paradi-chlorobenzene is the destructive agent.

A specially constructed steel and concrete vault is utilized to house furs, clothing, fine fabrics, objects of art, padded and upholstered furniture, mattresses, etc. All dust particles are filtered from the atmosphere within the vault and the air is then permeated with powerful chemical fumes emitted by an electrical device, and a concentration of such density and efficiency is attained as to assure circulation of the gases.

Thomas F. Healey, manager, states that he has been assured by the Department of Agriculture that the process is non-injurious to the goods.

When Warehouseman May Recover From Railroad for Damaged Goods

Seventeenth of a Series of Legal Articles

By LEO T. PARKER,
Attorney-at-Law

EVERY warehouseman frequently is confronted with financial losses resulting from the loss or damage to goods shipped by motor truck, railroad or other methods of transportation. The purpose of this article is thoroughly to review the leading higher court cases involving warehousemen and in which various phases of the law on the liability of railroads for damages are discussed.

First it is important to know that a common carrier is any firm or person who holds himself out to the public as being ready and willing to accept merchandise for transportation.

The difference between a common carrier and a private carrier is that the former hauls for any and all persons, whereas a private carrier transports goods exclusively for himself or one or two special persons or firms.

Generally the law with respect to the liability of a common carrier applies to any firm or person such as an expressman, a railroad, a motor truck transportation company, an express company, a storage or warehouse company and the like.

Liability of Warehouseman

CONVERSELY, a warehouseman may be liable in damages to a customer for failure to follow the shipping instructions.

For example, in *O. K. Transfer & Storage Co. v. Neill*, 159, Pac. 272, it was disclosed that a person named Neill stored his goods in a warehouse and moved to a distant city. Later he authorized a friend to arrange with the warehouseman to crate the goods and ship them to him over the Rock Island railroad. However, the warehouseman shipped the goods over the Frisco line, instead of the Rock Island, and the goods were destroyed by fire while in transit.

The owner instituted Court proceedings against the warehouseman to recover the sum of \$2,314, the value of the destroyed goods. The warehouseman contended that he was not liable because the damage was occasioned by negligence of the railroad company. Nevertheless the Court held the warehouseman liable for the loss of the goods, saying:

"When the transfer company violated

Obviously a warehouseman is entitled to collect damages from a railroad company, for the loss or injury to shipped merchandise, only when the former is the trustee, actual owner of the goods, or suffers financial loss as a direct result of the railroad company's negligence.

Ordinarily the legal title to shipped goods rests with the consignee the instant the shipment is delivered to the carrier. Therefore unless the bill of lading or other contract contains contrary provisions the consignee is solely responsible for loss or damage to transported merchandise and he must sue and recover from the carrier.

On the other hand the presumption that the consignee is the owner of shipped goods is not absolute. For instance, if the carrier has notice that the consignee is *not* the owner, the former is liable in damages to the consignor for loss or damage to the property. Moreover, the consignee may legally refuse to accept the shipment after the consignor authorizes the carrier to make delivery, particularly if the latter refuses to assume responsibility for the damaged condition of the merchandise.

Next Month

THE eighteenth of this series of legal articles by Mr. Parker will consider the liability of notifications printed on contract forms, warehouse receipts, bills of lading, letterheads, and so on.

When is a printed notice valid?

How may one distinguish between valid and invalid provisions?

What is the legal effect of custom?

Is a non-accepted offer a binding contract?

How do verbal agreements affect printed notifications?

In Mr. Parker's text to appear in July will be found the answers to these and kindred questions.

Railroad Liable for Goods Damaged in Warehouseman's Possession

SOMETIMES litigation arises when stored goods are destroyed or damaged after a railroad issues bills of lading to the owner, in exchange for warehouse receipts, and before the merchandise is taken from the custody of the warehouseman by the railroad.

For illustration, in *Arthur v. Texas & Pacific Ry. Co.*, 204 U. S. 506, the Supreme Court of the United States held that where a railroad company issues a bill of lading to a shipper, in return for a receipt given by a warehouseman, the carrier is liable for loss or damage to goods resulting from negligence of the warehouseman while awaiting loading. This Court said:

"When these receipts were handed by the plaintiff [shipper] to the defendant's agent [railroad], who took them and issued a bill of lading to the plaintiffs, the constructive possession and the entire control of the goods passed to the defendant [railroad]."

In other words the exchange of bills of lading for warehouse receipts immediately shifts the liability for loss or

its duty as agent and sent the goods over the Frisco (line), its contract became entirely inapplicable, and the stipulations thereof could not limit its liability for its wrongful act as agent."

damage to the goods from the warehouseman to the railroad company with respect to the owner of the goods. On the other hand, under the same circumstances, although the owner may sue and recover damages from the railroad, the latter is entitled to sue and recover its losses from the warehouseman whose negligence actually caused the loss.

When Railroad Is Liable

IT is well established law that a railroad company is practically an insurer of the safe arrival of goods which it accepts for transportation. In fact, the carrier is liable for all loss resulting from its own negligence, and against all other loss or damages, except such as may be caused by the act of God, a public enemy of the United States, the act of the shipper, or the inherent nature of the goods. Moreover, although the damage is due to one of these causes, the carrier still is liable for any damage which may result by its failure to exercise reasonable care to protect the shipment from such loss or damage.

The law defines an act of God as the result of an irresistible physical force which is not preceptable by ordinary or extraordinary human foresight, care or indulgence. In other words an act of God may be an extraordinary heavy downpour of rain, an unusual flood, a cyclone, an earthquake, or other similar natural disturbances.

For illustration, where goods being shipped were damaged by an unusual and unexpected flood which washed the train from the track, the Court held the railroad company not liable for the resultant damages because the damage was effected by means not within the control of the railroad company or its employees to prevent.

However, if ordinary care on the part of the railroad employees may have prevented the damage, the shipper is entitled to recover for the loss.

For instance, in *Gratiot St. Warehouse Co. v. Missouri K. & T. Ry. Co.*, 102 S. W. 11, it was disclosed that a warehouseman delivered a carload of merchandise to a ferry company. The warehouse company exchanged the ferry company's receipt for a bill of lading which, issued by the railroad company, contained the following provision:

"It is understood as a part of the conditions under which said packages are received that neither this railway company, nor any other carrier, shall be liable . . . for any loss or damage occasioned by riots, strikes, the acts of God or the public enemy."

Two days after the car was received by the railway company the merchandise was so damaged by high water that it was practically destroyed.

The railway company attempted to avoid liability by contending that the damage resulted from the act of God causing the sudden inundation of their yards. In answer to the warehouse company's contention that the goods should not have remained in the railway company's yard for two days, but should have been shipped immediately upon the receipt of the car, the carrier proved

that the ferry company had not given them shipping instructions, whereupon they [carrier] placed the car on the holdover track awaiting this information.

Notwithstanding this contention, the Court held the warehouseman entitled to recover damages from the railway company and stated the law on the subject in the following language:

"In order for the defendant [railway company] to escape liability under the exemption afforded by the law to the entailments of an act of God, the act of God must be the sole and only cause of the injury, and this, too, unmixed with the negligence of the defendant [railway company]; for, if the defendant's negligent act commingled with it in the loss of an active and cooperative element and the loss is proximate thereto, or, in other words, is a reasonable consequence of the negligent act, it is regarded in the law as an act of the carrier rather than as an act of God."

Also, in the case of *Missouri & N. A. R. Co. v. United Farmers of America*, 292 S. W. 991, it was held that, where a railroad fails to give notice of the arrival of a shipment, the railroad is liable for the loss, injury or destruction of the goods in its warehouse, caused by an act of God, irrespective of the following provision of the bill of lading:

"No carrier shall be liable for loss or damage caused by the act of God. Carrier's liability to be that of warehouseman only for loss by fire occurring after the expiration of the free time allowed by tariffs after notice of arrival at destination and placement of property for delivery."

The shipment arrived at its destination and was removed to a warehouse, where it remained for several days after the expiration of the free time allowed by tariffs. The shipper was not notified of its arrival. Lightning struck the warehouse and destroyed the goods, and the carrier attempted to avoid liability by introducing the bill of lading. However, the Court held the carrier liable, saying:

"In order to exempt a common carrier from its liability as an insurer for the safe transportation and delivery of goods on account of destruction of same by an act of God, the act of God must be both the sole and proximate cause of the injury. . . . In the instant case the direct cause of the destruction by fire was a stroke of lightning that set fire to the warehouse. . . . The negligent act of appellant [railway] then, in failing to notify Cook [consignee], was an efficient and cooperative cause in the destruction. The lightning directly destroyed it, but it was not the sole and proximate cause of its destruction."

Public Enemy of United States

IT is well established that a carrier cannot avoid liability for loss or damage to shipped merchandise on the excuse that an enemy effected the destruction, unless the damage resulted from interference by citizens, soldiers, or agents of a country with which the United States is actually at war.

Inherent Nature of Goods

OBVIOUSLY a railroad company is not liable for loss or damage to shipped goods resulting from inherent danger of the goods themselves, particularly if the railroad company's agent is not informed of the inherent quality.

The same law is true with respect to warehousemen who transport merchandise. For instance, a common carrier is not liable for loss or damage to shipped goods caused by a fire originating from a short circuit radio battery concealed in a crate having no notification thereon of its dangerous contents.

Liability for Delayed Shipment

FREQUENTLY controversy arises between common carriers and shippers relative to the degree of care required of the former in making prompt delivery of shipped merchandise.

In the leading case of *Chesapeake & O. R. Co. v. Coleman Fruit Co.*, 294 S. W. 463, the Court said:

"The highest degree of care imposed by the law on carriers of freight in its handling en route does not apply to mere delays in shipments, since the carrier is only required to exercise ordinary care and diligence to avoid delays."

It is well established that a carrier may arrange schedules for its trains in the transportation of freight and is not chargeable for a reasonable delay caused by connections necessary in reaching the destination.

In other words, in the absence of a contract between the shipper and the carrier, regarding the time for the deliveries of freight, the carrier is required to make deliveries within a reasonable time.

In order to be relieved of liability for an unreasonable delay, the carrier is bound to prove that the delay was caused by persons other than its own employees or servants. Therefore a common carrier is responsible for damages resulting from a delay to transport merchandise in the usual time, although the delay is caused by a strike of its employees. The same law is effective with respect to damaged or lost goods.

For example, in *Bushchaw v. Union Pacific*, 276 S. W. 409, where this point of the law was involved, the Court quoted:

"If its [railway's] employees go on a strike, abandoning the performance of their duties, and causing delay in the transportation of goods in their charge or control, the carrier is liable, the delay being due to the employees' wrongful acts."

In *U. S. v. Florida*, 20 F. 583, in explaining the law relating to damages recoverable from a carrier for delayed shipment, the Court said:

"The general rule is that the measure of damages for a carrier's negligent delay in the delivery of goods is the diminution in the market value of the goods between the time they ought to have been delivered and the time they were in fact delivered. Special damages for such delays are not recoverable, unless the carrier had knowledge or notice of

the special use to which the goods were to be put."

Notification Lessens Railroad's Liability

THE liability of a common carrier as an insurer ceases with delivery of the goods at the point of destination by direction of the shipper, or according to the usage and custom of the parties at the place of destination. The delivery may be actual or it may be constructive. In either case the liability of the carrier as an insurer terminates with such delivery.

An actual delivery of the goods is made when the possession is turned over to the consignee, or his duly authorized agent, and the carrier's liability is ended.

However, when a reasonable time has been given the consignee in which to remove the goods, the carrier's liability does not cease entirely, but is lessened to that of an ordinary warehouseman who is liable only for failure to exercise ordinary care to safeguard goods.

Moreover it is well established that, although a consignee does not promptly accept delivery of shipped merchandise within a reasonable period after the carrier sends notification of its arrival, the carrier is liable as an insurer if it removes the goods to a different location without authority from the owner.

For instance, in *Belknap v. Baltimore & Ohio R. Co.*, 91 S. E. 656, it was disclosed that a shipment arrived at its destination and the consignee was promptly notified of its arrival but failed to accept delivery for several days. Failure to call for the goods was caused by the consignee's absence from the city; thus he did not receive the card sent to him by the railway company informing him of the arrival of the shipment. In the meantime the carrier transferred the goods to a different city and stored them in a public warehouse.

The consignee filed suit against the railway company to recover damages for destruction of the goods in the warehouse. The Court held the consignee entitled to recover damages, irrespective of the degree of care exercised by the holder to safekeep the merchandise. This Court said:

"Even though a consignee of goods does not call for them within such time after arrival as will prevent expiration of the carrier's liability therefor as carrier, the latter is bound to hold them at the place of destination, as a warehouseman, for a reasonable time; and its unauthorized reshipment thereof from such place is wrongful and imposes absolute liability for their loss in the unauthorized transit and custody. . . . The delivery made at the point of destination, which, after a reasonable time, would have reduced the liability of the carrier to that of a warehouseman, in the event of the failure of the owner to call for the mill in a reasonable time, was broken up and destroyed by the unauthorized reshipment. . . . If the goods are not called for on arrival, it is the duty of the carrier to store them until called for, or until they are sold, in

conformity with the law, for satisfaction of its charges."

On the other hand, in *Elland v. Hines*, 114 S. E. 472, it was disclosed that a bill of lading provided:

"Property not removed by the party entitled to receive it within forty-eight hours . . . may be, at the option of the carrier, removed to and stored in a public or licensed warehouse at the cost of the owner and there held at the owner's risk and without liability on the part of the carrier."

The consignee refused to accept the shipment and the carrier stored it in a public warehouse. The consignor promptly notified the railroad company to reship the goods. However, due to the delay of ten days on the part of the carrier in reshipping the merchandise, it was destroyed by fire not caused by its negligence.

Although the lower Court held the carrier liable, the higher Court reversed the decision, saying:

"The defendant [carrier] did not store the goods in the public warehouse as a part of the transportation, but under, and by virtue of, the express stipulation of the bills of lading, authorizing the carrier to do so, not in his own warehouse, as ordinarily done, but in a public warehouse, and this stipulation . . . provides for immunity from further liability in any respect when the goods are so stored."

The Law of Connecting Carriers

GENERALLY speaking, the initial carrier is liable for loss or damage to shipped merchandise, irrespective whether the damage is caused by a connecting carrier. Moreover the same law is effective although the goods are damaged while in the warehouse of the last connecting carrier.

For example, in the leading case, *American Co. v. New Orleans & N. E. R. Co.*, 105 So. 82, it was disclosed that a shipper delivered 500 bags of granulated sugar to an initial railroad company and loaded them in a car furnished by the latter. The merchandise was transported over several connecting carriers. Upon arrival of the sugar at the destination it was placed on a street drayage track by the last carrier and on the next day notice of its arrival was presented the consignee.

The consignee inspected the sugar and found that some of the bags were wet, and many contained holes from which sugar had escaped to the floor of the car. A few days later another inspection of the shipment was made by the consignee and the damaged condition of the sugar was again noted. However the railroad company was not notified of the damaged condition of the shipment and was not requested to inspect the sugar until several days after these two inspections were made by the consignee.

Promptly after receiving information of the damaged condition of the shipment the railroad company removed the sugar from the drayage track into a warehouse. Later the consignor discovered that several of the sacks of sugar had disappeared after having been re-

moved to the last carrier's warehouse. He ordered the shipment returned and sold it at considerably less than the original sale price.

Soon afterward the consignor filed suit against the initial railroad company to recover the difference between the original sale price of the sugar and the amount received for the damaged shipment.

The initial railroad company contended that it was liable only for the loss or damage to goods while in transit, because under the terms of the bill of lading the delivering or last carrier held the goods as a warehouseman and not as a carrier.

However, notwithstanding this contention, the Court held the initial railroad company liable to the consignor irrespective whether the shipment was lost or damaged after being accepted for storage in the last carrier's warehouse, and explained the law as follows:

"Where a carrier voluntarily accepts goods for shipment to a point on another line in another State, it is treated . . . as having made a through contract, and as having elected to treat the connecting carriers as its agents, for all purposes of transportation and delivery. In such a case the rights of the shipper and of the carrier are the same as though the point of destination, although on another line in another State, was on the line of the initial carrier. The liability of the initial carrier is for every kind of positive misconduct of the connecting carrier affecting the property, and for its negligence and lack of care or effort."

Curtis and Stewart Firms Merge on Pacific Coast

The Curtis Corporation, Long Beach, Cal., which distributes its canned foods widely through public warehouses, and the Alexander B. Stewart Organizations, Inc., Los Angeles, with respective capitalizations of \$1,000,000 and \$2,000,000, have been merged into the Stewart Curtis Packers, Inc., with general offices at 315 West Ninth Street, Los Angeles.

Don F. Harner, traffic manager of the Curtis Corporation, will be the traffic manager of the Stewart Curtis firm. Mr. Harner attended the Los Angeles convention of the American Warehousemen's Association in January.

The Stewart Curtis company has established eastern district offices in the Chanin Building, New York City, and central district offices at 30 West Washington Street, Chicago.

It is announced that stocks will be carried in New York, Chicago, New Orleans and Houston, supplementing the frequent pool car shipments to various other distributing points.

Almberg Sells Business to Son

A. E. Almberg, owner and manager of the Santa Fe Drive Storage Warehouse, Denver, has sold the business to his son, Chester T. Almberg. The company was organized in 1909 and operated a household goods warehouse containing 10,000 square feet.

FROM THE LEGAL VIEWPOINT

By Leo T. Parker

Lien for Charges

LEGAL EDITOR, *Distribution and Warehousing*: Some time ago, the writer read in your legal department a decision on a deposit and withdrawal of a continuous account in a warehouse. The article covered a particular case that is similar to one we are at present confronted with, as follows:

Our customer deposited refrigerators with us through a general account—storage, handling in and out, cartage of various kinds—and payments were made from time to time as statements were issued. This customer finally became involved in a law suit and was taken over by a receiver. We maintained a portion of this deposit and have held the same with the thought that we were properly entitled to do so as security for our account.—*Reliable Transfer & Storage Co.*

Answer: Generally speaking, a warehouseman automatically relinquishes his right to a lien for transportation, or other charges, where he willingly delivers to the owner the merchandise on which a lien is claimed. And it is important to know that ordinarily repossession of the goods by the warehouseman does not revive the lien.

For instance, in *Contractors' Machinery & Storage Co. v. Gueguen*, 260 Pac. 669, a storage company agreed to transport and store goods at a stipulated charge. After the merchandise was delivered to its owner, the latter refused to pay the warehouseman's bill. The storage company then took possession of the goods and, after holding them a short time, advertised them for sale in a customary manner to satisfy the lien.

The owner of the goods filed suit to prevent the storage company from selling them, contending that the right to a lien was lost when they were delivered to him and that repossession by the storage company did not revive the lien.

The Court held the storage company not entitled to sell the goods to recover the transportation charges.

Also, see the following important case on this subject: 255 Pac. 548. The case you refer to is the United States case, *Clark Bros. v. Pau*, 20 F. (2d) 74.

Telephone Advertising

LEGAL EDITOR, *Distribution and Warehousing*: We would like to have some information in reference to a contract which we made with the Reuben H. Donnelly Corporation for two insertions of our advertisement under "Storage" to run for one year.

They have printed the first half of this contract but the second half they have for some reason or other forgotten to insert. They notified us that they were very sorry that this mistake had occurred, and as this is a very serious loss to us for our spring business, have we any claim against the Donnelly Corporation?—*Julius Kindermann & Sons, Inc.*

Answer: It is my opinion that the advertising corporation is liable in damages for failure to insert the advertisement the last six month period of the contract. In the first part of the contract, you agreed to pay the sum of \$270 for insertion of the advertisement for one year in two editions of six months each. Then, in the latter part of the contract, the advertising corporation attempted to avoid liability for its negligence.

It is true that the advertising corporation would not be liable for refusing to accept and publish an advertisement, but as they accepted and published it in the first six-month period, I believe they are obligated to fulfill the year contract, although I have no cases at hand on the subject.

Freight Charges

LEGAL EDITOR, *Distribution and Warehousing*: A shipment of drugs was turned over to us, and later the shipper authorized the return of the shipment, all charges following. The delivering carrier was unable to effect delivery and eventually the goods were sold for charges.

Now, three years later, the carrier claims that we as eastbound shipper are liable for all charges, claiming that our liability to the carrier is fully established under the conditions of the shipping order. Are we liable?—*Holman Transfer Co.*

Answer: It is well established that a consignor always is liable for payment of freight charges, irrespective of how or why he acted as a consignor.

Of course, a consignor who forwards goods, under orders of another, may sue and recover the charges and expenses from the latter, but the carrier looks directly to the consignor for payment of charges. See 109 So. 205; and 216 N. Y. S. 613.

A Rental Problem

LEGAL EDITOR, *Distribution and Warehousing*: A section of our warehouse space is rented to a manufacturers agents' company. The lease expires June 30, 1929, but runs from

July 1, 1928, to June 30, 1929. Monthly rental \$125.

The lessee has now moved their warehouse stock, together with all equipment, and is now doing business in the next building to ours. They paid us their rent for the month of April before moving. Can we collect for May and June?—*Pacific Coast Warehouse Co.*

Answer: The only reason the lessee can refuse to pay rent for the balance of the lease period is that you have violated some valid law, such as that which requires landlords to maintain a certain temperature in rented buildings.

If no law of this or other nature exists, which you have violated, you are entitled to receive full payment for rent up to and including June 30, 1929, at the regular monthly rental of \$125. Sec. 135 N. Y. S. 633; and 33 Pa. Sup. Ct. 283.

Priority of Liens

LEGAL EDITOR, *Distribution and Warehousing*: We have three machines in our warehouse which were placed in our care about three years ago. The amount of the charges against these machines now amount to \$700. The value of these machines is about \$500.

A machine shop in this city holds a mortgage on these machines. Does the mortgage come before our lien for storage charges?—*B. G. Costich & Sons, Inc.*

Answer: If the machine shop owner agreed to be responsible for the storage charges, or stored them with you, he is liable for payment of the storage charge. (215 N. W. 844; 22 F. (2d) 211).

Also, where a warehouse receipt is issued to a person who is not the owner of the goods, the receipt is not prior to a mortgage recorded after the receipt is issued. (162 N. E. 460).

The Supreme Court of New York (224 N. Y. S. 71), thoroughly discussed the legal rights of a warehouseman to collect storage charges on mortgaged property. In this case the Manhattan Storage Warehouse had in storage two articles both of which were mortgaged and belonged to one owner. The mortgages were dated Nov. 1, 1926, and Nov. 10, 1926, which was before the goods were placed in storage. The first mortgage was regularly recorded in the county of New York on Nov. 22, 1926. The other mortgage was not filed.

The mortgagee foreclosed both mortgages. However, the Court held that the warehouseman was entitled to full

payment of storage charges on the goods on which the mortgage was not recorded, and that he was entitled to payment for storage on the goods, the mortgage of which was recorded, after the date he received the notice of the suit.

Obviously you are entitled to retain your charges from the proceeds of the sale if, from the foregoing facts, you determine that your lien is prior.

LEGAL EDITOR, *Distribution and Warehousing*: A customer stored goods at my warehouse. At the time he had a chattel mortgage on record but we did not know about it. After several months elapsed, and storage charges accumulated, the chattel mortgagee made demand for the return to him of the chattel mortgage's goods without tendering charges due us, and claims his chattel mortgage is superior to our warehouse charges. We refused to deliver the goods.

Do you think our lien for storage is superior to the chattel mortgage lien?—*Atlas Safe Deposit & Storage Co.*

Answer: Generally, a properly recorded chattel mortgage is superior to a common warehouseman's lien. This is true irrespective where the mortgage is filed.

On the other hand if the mortgage is filed in a different State from the location of your warehouse, and you can prove to the satisfaction of the Court that the mortgagee acquiesced in storage of the goods, and an element of fraud is present, the warehouseman's lien would be superior to the chattel mortgage.

Of course, if a sale of the goods will net more than the amount of the mortgage, you are entitled to the difference.

LEGAL EDITOR, *Distribution and Warehousing*: We have in our storage a shipment of household furniture belonging to a family who have left the city, address not known. Among the furniture is a vacuum cleaner. It is about the only worth while piece in the lot and if we were to give same up we are losing our best chance to collect our charges through sale of goods.

Today the agent who sold this vacuum cleaner to this person called at our office and demanded same, because it was sold on time payments and same are long overdue. Do we have to release this vacuum to this agent?—*Flannigan Bros. Storage Co.*

Answer: If the seller of the vacuum cleaner has a conditional contract of sale, or a chattel mortgage, properly recorded, he is entitled to recover the sweeper without payment of charges to you.

On the other hand, if the seller of this cleaner simply arranged to sell it to your customer on the basis of monthly payments without recording the contract, you may hold the sweeper as security for your storage charges.

Unusual Liability of Warehouseman

GENERALLY speaking, a delivery of stored goods to either a husband or wife impose no liability upon the warehouseman. However the circumstances disclosed in the recent case of *Martin v. Martin*, 164 N. E. 127, resulted in the warehouseman being liable for conversion.

The facts are that Margaret M. Martin and Charles C. Martin, husband and wife, lived together in Cleveland. Mr. Martin procured employment in of Columbus, Ohio, and after some period of time Mrs. Martin joined her husband in Columbus, and stored her household goods with the Neal Fireproof Storage Co., Cleveland.

Subsequently Mr. Martin brought an action for divorce. An agreement was

the property to their own use, and the judgment that was rendered against them was limited to the value that was placed upon these articles when they were put in storage; but the husband who converted these goods to his own use was liable to their full value, providing the judgment against the storage company and the husband, the joint judgment against these two, did not exceed the value of the goods as proven.

The husband taking these goods without any authority or warrant, for his own use, was liable for the full value. How the husband and the storage company can settle their difficulties is unimportant in this lawsuit."

Warehouseman's Liability Importantly Increased

IT is important to know that although, under ordinary circumstances, a warehouseman is legally required to exercise only ordinary care to safeguard stored property, yet he is liable as an insurer after failure to deliver the goods upon demand of their owner.

For instance, in *Kansas v. Farmers' Co.*, 272 Pac. 181, it was shown that, nine days after the owner of stored property demanded the warehouseman to make shipment, a fire occurred in the warehouse, destroying the goods. In holding the warehouseman liable, the Court said:

"A bailee for hire who receives a consignment upon a promise, express or implied, to redeliver the same to the consignor upon demand, and fails to do so within a reasonable time after demand, is liable for the value of the goods withheld at the time it should have been delivered, although such bailee continuously avows his intention to comply with the demand but fails to do so."

Liable for Injuries Caused When Loading Truck

THE decision in the recent case of *Reilly v. B. S. Janney, Jr., & Co.*, 135 Atl. 66, is important to all firms which utilize motor trucks or other vehicles.

The facts of this case are that a woman, while passing along the sidewalk, fell over a skid used for loading and unloading trucks. As a result she received severe injuries. The testimony disclosed that the woman tripped over the skid which extended across the sidewalk. One end of the skid rested on the rear of the truck and the other on the pavement in front of the owner's place of business.

The counsel for the company argued that the woman was not entitled to recover damages, for the injuries sustained, because she failed to exercise ordinary care in observing the presence of the skid.

However it is important to know that this higher Court held the owner liable for the resultant damages, and explained law on the subject, as follows:

(Concluded on page 50)

What Don't You Know?

MR. PARKER answers legal questions on warehousing, transfer and automotive affairs.

There is no charge for this service.

Write us your problems. Publication of inquiries and replies gives worth-while information to you and to your fellows in business!

entered into between Mr. and Mrs. Martin whereby the goods stored by her in the Neal warehouse were turned over to her and became hers absolutely.

The Court granted a divorce to the husband, allowing her these goods, which had already been turned over to her, and a \$2,000 order of alimony. Subsequently, by an agreement, Martin paid her a certain sum of money to be released for all claims that she might have against him. This sum was paid, and the \$2,000 alimony order ceased to be effective between these two parties.

Later Mr. Martin called at the warehouse and demanded delivery of the stored goods, which were immediately turned over to him. When learning that the goods had been delivered to Mr. Martin, Mrs. Martin sued the warehouseman and Mr. Martin for the value of the goods. The latter contended that the money settlement accepted by Mrs. Martin automatically vested title in the goods to Mr. Martin. However, the Court held Mrs. Martin entitled to recover full value of the goods, saying:

"There is nothing in any way, in any of the papers, whereby Mrs. Martin divested herself of the title to this personal property, which had been transferred to her and stored by her. . . . It was the property of Mrs. Martin, the contract with the storage company was with her. . . . When the storage company delivered this property over to the husband, he was not the owner of it; they violated their duty and converted

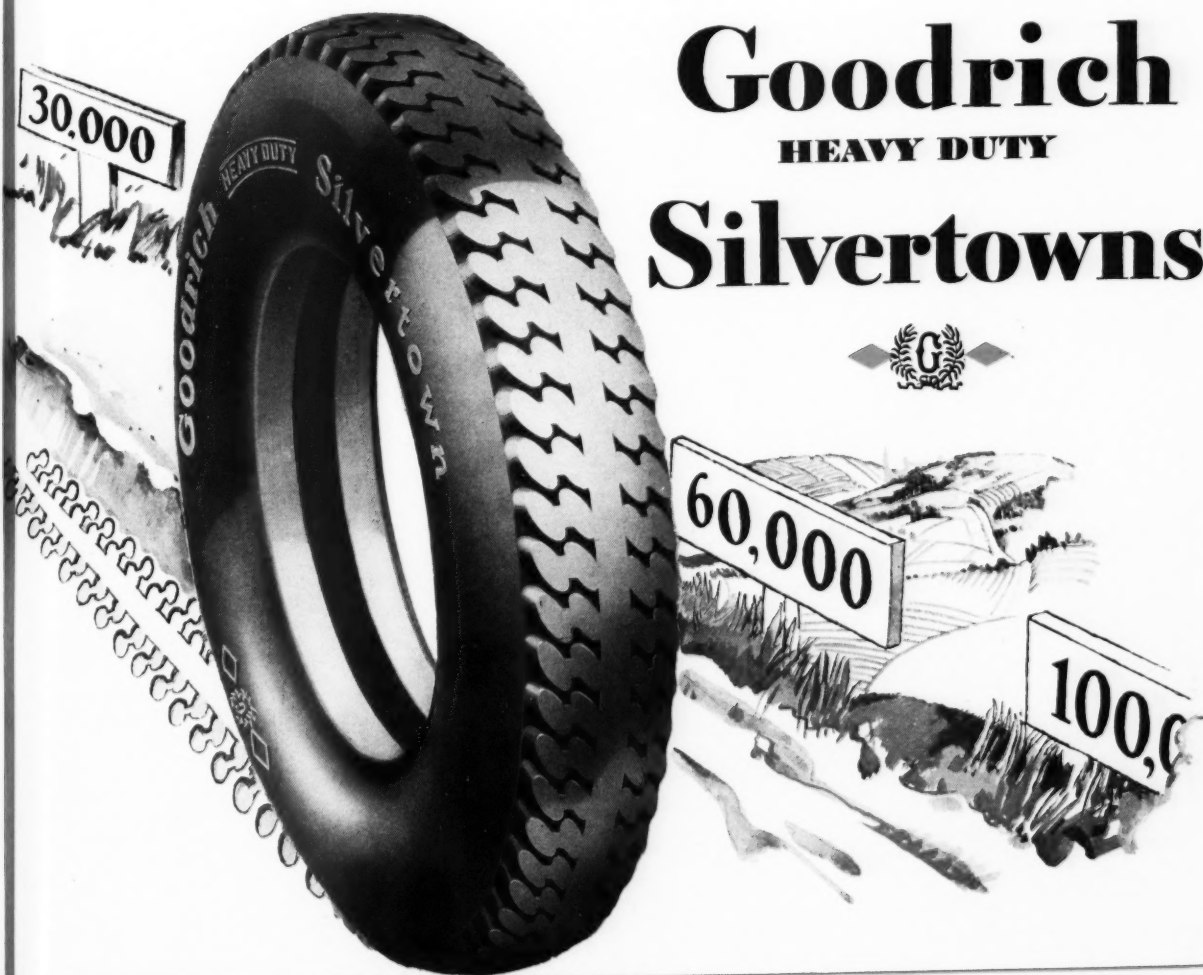
UNEQUALED TRUCK TIRE

Mileage

Goodrich

HEAVY DUTY

Silvertowns



Fleet Operators *are Standardizing* *on Goodrich HEAVY DUTY* *Silvertowns*

THE fleet operator—the man whose business demands that he operate light trucks, heavy trucks, trailers—in fact, all kinds of motor conveyances—is the man who *knows* truck tires.

The grim silence of mileage *facts* in competition with other makes of tires over a period of time is influencing large truck fleet operators daily to standardize on Goodrich Heavy Duty Silvertowns.

Shift to Goodrich Heavy Duty Silvertowns for *longer* tire mileage. Standardize on them. The Goodrich Heavy Duty Silvertown is toughened *all the way through*. Unequaled truck tire mileage has made it the truck tire choice of the nation.



SEVEN SUPERIOR SPECIFICATIONS

BUILT INTO EVERY HEAVY DUTY SILVERTOWN

1. Heavily insulated stretch-matched cords.
2. Additional *adhesion*—from greater insulation between outside plies.
3. Heavy *twin* beads for better rim seating.
4. Extra gum *fillers* between plies for longer tire life.
5. Heat-resisting, interlocking cord *breakers*.
6. Tread designed *correctly* for heavy duty service.
7. The whole tire toughened by the famous Goodrich "*water cure*."

The B. F. Goodrich Rubber Company, Established 1870, Akron, Ohio. Pacific Goodrich Rubber Company, Los Angeles, Calif. In Canada: Canadian Goodrich Company, Kitchener, Ontario.

Goodrich HEAVY DUTY  **Silvertowns**

MOTOR FREIGHT DEVELOPMENTS

FOR the busy executive of a warehousing business who is keen to keep abreast of the times there are several important new things to think about in the field of motor freight. Developments are following one another at a rapid pace, and all have a distinct bearing on the cost and opportunities of handling the hauling requirements of any warehouse business, regardless of its size. There are many advancements being made on the manufacturers' side of the industry, and some of these will be discussed in this department, which is conducted

By PHILIP L. SNIFFIN

THIS MONTH

Improving Warehouse Delivery Service. Choosing and Training Truck Drivers, on Whom Profits May Depend

ANY warehouse executive who begins to look into the much-discussed modern schemes for improving deliveries will soon discover that to carry out any plan successfully depends on one key—the driver.

The best conceived delivery system may fall far short because of the lack of ability or interest of drivers. Any plan to improve deliveries must first take into consideration the willingness of drivers to cooperate.

Some excellent advice to all warehouse operators who maintain their own delivery departments was recently given by a member of the Society of Automotive Engineers, E. C. Wood, who is Superintendent of the Transportation Department in the Pacific Gas & Electric Co., said Mr. Wood:

"I make it a point to select only these applicants who appear to be men of intelligence and good character and who bring with them good, clear references. Each applicant is examined, either by myself or by one of the staff, as to his qualifications from the standpoint of his ability as an operator, and his character as a man. His previous employment is investigated; if he has had accidents they are searched and their causes established. If he has had many accidents, he is not employed.

CAREFULNESS in driving by an operator depends in large degree on the standards and ideals of the organization by which he is employed. Reduction of accidents will be made a reality by greater care in the selection and training of personnel before the men are put in charge of the equipment. Impress on the mind of the applicant, before he is allowed to take out a truck, that safe driving is just as much a part of his duty as the performance of the job to which he is assigned.

Make it a rule that only those who have had at least one year of experience as a driver are eligible for examination. Record of their experience on standard automobile or truck must be presented with their applications. Subjects of the examination, with the points for each,

based on a scale of 100 for perfection, may be as follows:

Driver May Be a Liability

Subjects	Points
Medical and physical tests.....	15
Experience as driver.....	15
Mechanical knowledge of vehicle.....	15
Operation of vehicle.....	20
Traffic regulations.....	20
General knowledge (embracing geography of town, reports of accidents, mileage, time and complaints).....	15
	100

A point to be remembered always in selecting drivers is that from the minute the driver leaves headquarters with his load he is to all practical purposes a non-supervised employee. Because of this fact the driver, if incompetent or improperly instructed, is a liability. Not only will he have frequent breakdowns,

"Comparatively simple questions will give the examiner a good idea of the general knowledge, intelligence, experience, education and ability of a driver. The applicant's replies to questions on his personal history form the basis for an estimate as to his general reliability.

"To get the best type of drivers, five separate tests should be given to all applicants. They should cover sight, hearing, intelligence, judgment; and tests to determine the physical and nervous condition of the man. The latter should be conducted by a competent physician and the superintendent.

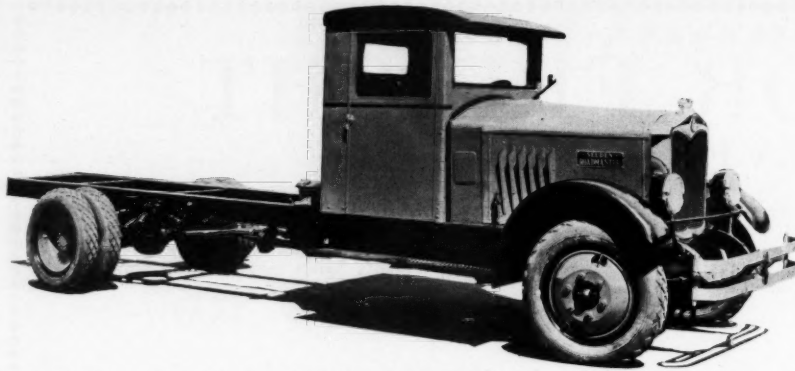
"Each applicant should be given a rigid road test under the supervision of one of the shop men. Such tests should cover the clutch, hand throttle, accelerator, hand and foot brakes, cranking, starting, shifting gears, steering, parking, driving in traffic, uphill and downhill driving, parking, and starting on a incline.

"The man should then be examined both on the road and orally on traffic rules, ordinances, road rules and courtesy. He should be quizzed on component parts of his vehicle, especially those which require watching to prevent accidents, trouble with brakes, clutch, tires and similar problems which arise every day in driving."

due to his ignorance, but, in addition, he will be unable to adjust or make minor repairs in emergencies.

It has been the writer's experience in selecting and supervising the training of drivers that a driver should be permanently assigned to a vehicle and made responsible for it and its equipment, general appearance, up-keep and cost of operation. He must make himself intimately familiar with the parts of his vehicle and how they function.

There is no doubt among the truck engineering profession that this problem of selecting and training drivers for a truck fleet, whether large or small, is one to which more thought should be given. Virtually everyone can drive an automobile, and for this reason there is a tendency to minimize the qualifications



Here is the new Roadmaster Junior 2 1/2-3-ton (Model 39C) of the Selden Company, Rochester, N. Y. It is built in four wheelbases supplying loading spaces of 9, 10, 12 and 14 ft. Chassis weight, 5,800 lbs. Body weight allowance, 1,200 lbs. It is a 6-cylinder job. Wheels are cast spoke or disc type. Tires are of the heavy-duty pneumatic 10-ply type, 32x6, duals on rear wheels. Tires 34x7 are available at small extra cost.

which a successful driver of a truck should have.

The basic factors in selecting men for this job are that they be steady and alert mentally and fit physically. Young men for some reasons are preferable to older men; but when young men are employed, those who are married are largely given preference, because of their generally more steady habits.

As regards physical condition some companies go so far as to have all prospective motor vehicle operators examined by a competent physician to determine if their sight, hearing and heart action are normal. This may seem unnecessary, yet it is easy to foresee how an accident might result from impaired vision or from heart attack while the driver is at the wheel. Proper physical examinations are the means of eliminating this form of hazard.

All drivers should have somewhat more than superficial knowledge of the mechanics of their units, and should be competent to make minor roadside repairs. The more competent the operator, the greater the reduction in operating costs incidental to road break-downs and road repairs.

Drivers should be neat and clean in personal appearance. They must appreciate that one of their duties is to assist their company in its public relations problem. Courtesy at all times is an absolute necessity, but drivers also must remember that they are hired as skilled men and as such are responsible for the safety of loads and equipment.

The responsibility of the driver of a heavy truck is very real and very serious, and both he and his employer should take at their full value all factors of danger incident to the operation of such vehicles. One of the greatest problems in handling of heavy-duty equipment is that, while we can get any speed we want with the use of gear ratios, nothing has been devised for quick deceleration. The engine is the best brake the driver has, but the driver who uses it must be trained as to how to handle his engine; and he must be fixed in the idea that he must never "take a chance." Nothing is more dangerous than the practice of some drivers

in coasting down hill with the gears in mesh and the clutch out to attempt to decelerate by slipping in the clutch part way down the hill.

Ideas on Driver-Training

SPECIAL training after employment should be based largely on the facts revealed by the examinations. If the reports indicate that there are any factors in any of the departments in which the driver was examined with which he is not familiar he should be given competent instruction until he knows them thoroughly. Regular training, of course, includes the development and posting of definite rules and regulations in all departments and the strict observance of such rules.

There is another factor in driver training—the problem of accidents. Attack this from two sides: education in safety first measures to reduce the number of accidents, and education in the first aid methods. In general, these two campaigns can be handled simultaneously and successfully.

To aid in the study and finding of accident conditions, safety first committees should be formed among the employees and charged with the duty of reporting to their supervisors any unsafe conditions. Many valuable suggestions will be received from some of them, perhaps revealing unsafe conditions which supervisors may have overlooked.

An excellent system of education for the prevention of accidents is one which provides that every accident be investigated carefully by a committee, or some office, independent of the operating department. This committee reports to the head of the department responsible for the accident. In the office, for the superintendent's personal information, a card file should be maintained, covering every employee in the department who has had an accident, a history of the accident and a statement as to whether the employee was at fault. Whenever a driver's card shows too many accidents for which he is responsible he should be discharged.

In connection with the safety first and first aid campaigns, striking posters are

often found to be effective in impressing the men with the lessons needed in both campaigns.

Thorough familiarizing of the men with the State motor vehicle laws and the local traffic rules and regulations also does a great deal to reduce accidents and law violations among the drivers.

The writer has found by experience that another excellent manner of discouraging accidents is to refuse to intercede in behalf of drivers for traffic violations and to have it generally understood that all employees who get notices of violations must take care of them personally. There are, of course, some instances in which the driver will receive a tag on account of solid tires bumping, or lack of enough rubber in his solid tires. Cases of this sort are not the driver's fault. Under practically all other conditions, however, it is well to make it a rule never to handle police tags.

In connection with this subject of drivers, one concern has printed a card to be signed by the driver and then placed in front of the driver's seat in the truck cab. This card reads as follows:

Driver's Pledge

- I will take the best possible care of my car at all times.
- I will give my machine proper attention and maintain its appearance.
- I will not use the car for my private purposes.
- I will not leave the motor running while the car is standing.
- I will not overload, but will keep the load to capacity of units.
- I will have my car in the garage by 6 p. m., except with permission.
- I will see that all lights comply with the law.
- I will get witnesses, if possible, to any accident I may have, report all accidents promptly, and fill out accident report with all available information.
- I will conform to all traffic laws and have familiarized myself with them.
- I will pass vehicles at least two feet to the left.
- I will not pass another vehicle at an intersection unless so directed by a traffic officer.
- I will not increase speed while being passed by an overtaking car.
- I will give turning signals at least 50 feet from the turn.
- I will not insist on the right-of-way.
- I will not pass a street or interurban car on the left.
- I will not park in front of the driveway of a private garage.
- I will report collision with a person immediately.

.....
Signature of Driver.

Placards or bulletins posted in the garage often serve to sustain interest in efforts which are made to reduce accidents. Here is one such placard:

"The most dangerous part of a truck is the
NUT
behind the wheel"

"Say it with Brakes and Save the flowers"

"Remember, Death is Permanent"

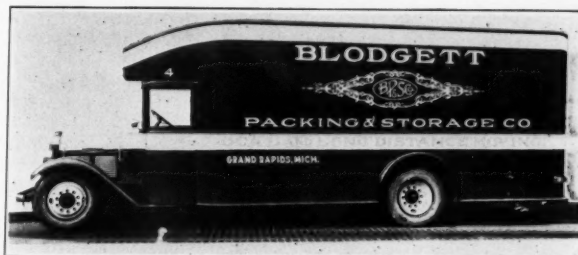
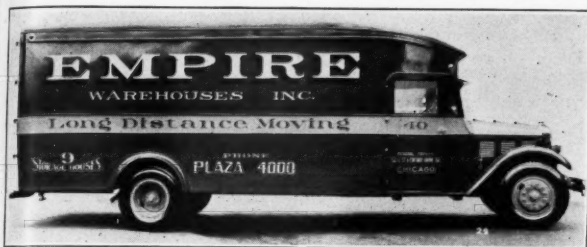
Another placard has a picture of a skeleton pointing at the reader, with the words: "I want you, Mr. Careless Man."

Another has a picture of a skull with these words: "Be careful and cautious. A careless moment—a sudden crash—a life is snuffed. It happens every day. It might be you next."

Bonus Plans and Contests

GETTING driver cooperation is a problem which must be met by each individual. Some have secured it by sys-

Some Motor Equipment Recently Installed by Warehouse Companies



Upper left, "the last word in stream line design." Diamond T chassis, with 214-inch wheel base, of Empire Warehouses, Inc., Chicago. Van designed and built by the Proehl Body Corp., Chicago. The loading space is 17½ feet long. The total inside loading capacity is 900 cu. ft. Panels are of one-piece aluminum construction. The van has a "fool-proof" sliding tail gate to facilitate loading. An extra tire is carried in a compartment which, directly back of the driver's seat, is built into the body.

Upper right, Diamond T 3-ton special van chassis placed in use by the Blodgett Packing & Storage Co., Grand Rapids, Mich. The body was built by the Burch Body Co., Rockford, Mich. Capacity, about 900 cu. ft. The panels are of aluminum. The van is green, with a background coloring of red, with the letters in gold.

Lower left, This Gramm chassis, with its body painted according to the specifications of the Allied Van Lines, Inc., of the National Furniture Warehousemen's Association, is a new piece of equipment, of 800 cu. ft. capacity, built for the A-B-C Fireproof Warehouse Co., Kansas City, Mo. It recently completed a trip of 3,300 miles to Boston, New York and Columbus, Ohio.

Lower right, A Mack A-L chassis which the Wagner Fireproof Storage & Truck Co., Springfield, Ohio, has introduced to the people of Springfield through a half-page newspaper advertisement offering \$25 for the best name submitted for it. This van is equipped with a 6-cylinder motor, with 4-wheel brakes and with the transmission, motor and springs all rubber shocked. It has both electric and Prest-O-Lite systems, the latter for emergency use. The body has a loading space of 19 ft. 6 in. behind the driver's seat and is 7 ft. 10 in. wide inside and 7 ft. 3 in. high inside. Spare wheel and tire are carried under back of body skirt. The body was built by Gerstenslager, Wooster, Ohio.

tem of merits and demerits; rewards and punishments for things done or left undone. Others have obtained it by offering prizes and bonuses to drivers whose cost-records reflect intelligent care and attention to the vehicle itself. Still others have solved the problem by putting the driver on half-pay when the truck has to be sent to the shop because he failed to report symptoms which foretold accident, breakage or interrupted service. At the same time they make a provision that pay is not decreased if the vehicle goes to shop on the recommendation of the driver, providing the trouble to be corrected is still in its initial stages.

Yet, no matter what plan of merits or demerits you adopt, or what steps you take to insure the driver's interest in the firm, the first essential will be the selection of the driver himself.

Don't make the mistake of thinking that any man who can handle a steering wheel is fit to be trusted with your delivery vehicle investment. Not only may he ruin the vehicle but you will be held accountable for any damage to other machines or to persons that he may cause while in your service.

Encourage your driver to study your delivery and up-keep problems. If the driver knows why it is poor policy to overload or to overspeed a vehicle he is much more likely to use care and judg-

ment than if merely told: "Don't carry more than (so many pounds), and never go more than (so many) miles per hour."

It pays to spend time and patience in the instruction of drivers. Often a truck is ruined in a short time or has to undergo expensive repairs because of the ignorance of the driver. Repairs are expensive not only because of the direct cost but also because of the loss of the truck's earning power while it is in the shop.

A truck in the repair shop is a liability, not an asset, and often the driver is to blame for transferring it from one side of the ledger to the other. He should be taught that he is operating an expensive piece of machinery, representing an investment of someone's money, and that dividends must be earned on that money or he will be out of a job.

Many truck drivers are prone to disregard the traffic regulations. They are operating big, powerful machines and have little to fear from other traffic either for their own safety or that of their trucks. But trucks must not be a menace to safety on the public streets, and drivers must be taught "safety first." Not safety for themselves alone but safety for all who use the streets.

On the other hand, drivers should be made to feel that the company stands solidly behind them so long as they do their duty and follow instructions. This

will give them confidence in the performance of their duties and produce a body of men who are glad to be in the company's employ, and will work hard for its interests.

The common purpose of the entire organization is service to the customer and in this the truck driver plays an important part.

Recent Models

DIAMOND T MOTOR CAR CO., Chicago: A 3-ton truck specially designed for high speed heavy-duty service is in production. It is featured by long graceful lines, a 6-cylinder engine, 7-speed transmission, hydraulic and vacuum-operated 4-wheel brakes and 36 x 8-inch pneumatics with dual rears, with solid tires optional. The vehicle designated Model 600, is offered in wheel-bases ranging from 145½ inches for tractor use to 224½ inches for a 20-foot body behind cab.

Macar Truck Co., Scranton, Pa.: Dual pneumatic rear tires, 4-speed transmission, a 6-cylinder engine, 4-wheel hydraulic brakes and chassis weight of 4500 pounds are some of the specifications which identify a new 1½-ton ve-

hicle. Body allowance is 1500 pounds, which, added to chassis weight and rated carrying capacity, gives a total gross weight rating of 9000 pounds. Three wheelbases are available—126, 154 and 170 inches, to accommodate respectively bodies of 7, 10 and 12 feet. The wheels are of cast steel type.

Selden Co., Rochester, N. Y.: See illustration and caption on page 36.

White Co., Cleveland: A 6-cylinder, 100 h.p. tractor truck, Model 59, is practically custom built from standard units and is sold only on specifications based on a study of the service for which each unit is to be used. It is available also as a truck for handling unusually heavy loads at high speeds and has been adopted for use as a 6-wheel unit. While the standard tractor wheelbase is 153 inches, the length varies depending on the job. Internal 4-wheel air-operated brakes are employed. Tires are 38 x 9.00 balloon front and 40 x 12 solid rear.

"Motor Tag War" in Central West

A "MOTOR tag war" involving Oklahoma, Kansas and Missouri is currently disturbing those States' warehouse companies which engage in interstate hauling.

In 1927 the Oklahoma Legislature enacted a law requiring that commercial trucks and automobiles from other States obtain Oklahoma licenses to operate on Oklahoma highways. Arkansas had such a statute but revised it by reciprocal agreement with adjoining States, but Oklahoma has retained its law notwithstanding efforts by the authorities of Kansas and Missouri to effect reciprocity.

E. A. Cornell, Kansas Secretary of State, announced recently that Oklahoma vehicles entering Kansas would be required to obtain Kansas licenses hereafter until such time as Oklahoma shall agree to a reciprocal arrangement. He said that Oklahoma drivers who refused to get Kansas licenses meanwhile would be arrested.

In Joplin and other southwestern Missouri cities the trucking interests are losing thousands of dollars annually by reason of having to pay Oklahoma license fees on vehicles entering Oklahoma.

W. L. Murphy, Oklahoma's assistant attorney general, has explained that no reciprocal agreement is possible until Oklahoma repeals its 1927 statute.

Oregon Ruling Affects Irregular Carriers

THE Oregon Public Service Commission recently ruled that anywhere-for-hire motor carriers, except those transporting furniture, should not be permitted to operate over any route traversed by a regular line carrier on the same basis of rates of the regular line.

The order was based on the fact that regular carriers have to pay a much greater tax for the use of the highways as well as perform a service that is more exacting and expensive to maintain.

To protect the regular carriers from undue competition from anywhere-for-hire operators, the Commission required that rates for irregular carriers should be on an hourly, mileage or zone basis and not on weight or size. Under this system of rates irregular carriers must carry full loads for successful operation.

Because the handling of furniture shipments by motor carriers presents a peculiarly different problem, the Commission was of the opinion that such carriers ought to be exempted from regular rate schedules and permitted to charge on a flat contract basis.

Walter A. Maynard Promoted

ANNOUNCEMENT is made by the White Company, motor truck manufacturers, Cleveland, that Walter A. Maynard, transportation engineer, and who is widely known in the public warehouse industry, has been appointed sales promotion manager.

Mr. Maynard has in recent years covered the country in the study of truck and bus transportation and as manager of vocational sales promotion. In the latter capacity he has been a familiar and popular figure at the storage industry's conventions, including those of the National Furniture Warehousemen's Association. He joined the White firm in 1923 after having been a transportation engineer for Packard and G. M. C. In his work of developing vocational sales he has become recognized as an authority on warehousing and distribution truck activities and on bus transportation.

As sales promotion manager, Mr. Maynard succeeds L. G. Avery, who has been promoted to the managership of the Detroit district.

Ohio Law Effective Aug. 1

The law which the Ohio Legislature enacted at its last session, giving relief to operators of commercial motor vehicles by making it easier to change rates and schedules and to add equipment, will become effective about Aug. 1. This affords the necessary ninety days, as required by the Ohio constitution, to allow for filing of a referendum petition.

Larger Trucks Permitted to Roads of Massachusetts

Governor Allen of Massachusetts on May 14 signed a bill increasing the legal length to 33 feet and the width to 102 inches of motor trucks and buses operating on the State's highways. The previous dimensions were 28 feet and 96 inches.

Ontario Imposes Fines for Overloading

Fifteen trucking companies using Ontario highways between Detroit and Toronto were fined recently, in the police court in Sandwich, Ont., for exceeding the load limits prescribed by Ontario. The fines were equivalent to \$1 for each hundred pounds in excess of the load limit. A Provincial regulation

allows motor trucks only one-half normal loads during March and April.

Wheel Companies Merge

The Kelsey-Hayes Wheel Corp. and the Wire Wheel Corp. consolidated recently by action of the stockholders of the two. The new corporation is called the Kelsey-Hayes Wheel Corp.

FWD Acquires Menominee

A majority of the stock of the Menominee Motor Truck Co. of Wisconsin has been acquired by the Four Wheel Drive Auto Co. The Menominee truck will continue to be manufactured by a FWD subsidiary known as the Utility Supply Co., which will make also derricks, winches, power take-off, trailers, etc.

Devine Booklet Available

Devine Brothers Company, Inc., Utica, N. Y., has issued a new thirty-page booklet descriptive of its products—caster and truck type of canvas cushion wheel; casters, etc. It is Catalog No. 22.

A Problem, a Trailer and Results

In Lewiston, Idaho, it took a warehouse company to show local tractor dealers how to move their machines along the city's streets in the face of an order by the municipal council to the police to keep the tractors off the pavement without advance written permission from the engineering department.

The Lewiston Transfer & Storage Co. had a special trailer built. It is ten feet wide and eighteen feet long and capable of carrying twelve tons. Its rear wheels are equipped with fourteen-inch rubber tires.

The tractors were run onto the trailer, when moving jobs were necessary, and the trailer transported the machines, one at a time, from the railroad yards, over the city streets and to dealers' premises.

The method has been working satisfactorily since it was first tried out late in March and Lewiston's paved thoroughfares are not being damaged by tractors.

New Orleans Forwarding Firm Opens an Office in Memphis

Announcement is made that W. L. Richeson & Sons, ocean freight brokers and forwarding agents in New Orleans, have opened an office in the Cotton Exchange Building in Memphis. The Memphis office will be "a clearing house in the Mississippi Valley for the company's business," according to Lacy D. Richeson, speaking for the firm.

Charles B. Bowling has been made vice-president in charge of the Memphis office. He was formerly traffic director of the American Cotton Growers' Exchange, Memphis.

The Richeson company is working in cooperation with the warehouse firms which are members of Distribution Service, Inc.

WITH THE ASSOCIATIONS

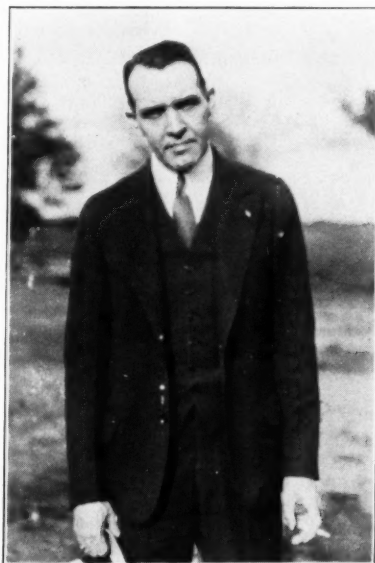
HERE is presented in tabloid form the Association news that is of general interest to the industry as a whole. No effort is made to present complete reports of all Association meetings; the dissemination of such information is logically the work of the officers and the committee chairmen. What is presented here is in effect a cross-section review of the major activities so that Association members may be kept advised as to what "the other fellow" elsewhere in the country is thinking and doing. When annual or semi-annual meetings are held, more extended reports will occasionally be published.

Missouri Warehousemen Approve Plan for Joint Meeting With Kansas and Oklahoma Storage Executives in October

By MERRYL SCHWIND

NEARLY a hundred storage executives and guests attended the eighth annual convention of the Missouri Warehousemen's Association, at the Coronado Hotel in St. Louis on April 19 and 20—one of the largest meetings in the organization's history. John A. Groves, Kansas City, was in the chair as president. Salesmanship and long distance hauling were features of discussion at the household goods sessions, with Henry Reimers, Chicago, executive secretary of the National Furniture Warehousemen's Association, conducting an open forum on the future of inter-city removals and the work of the Allied Van Lines, Inc. The merchandise and cold storage round table was presided over by E. L. Winterman, St. Louis, important problems being discussed. The outcome of the general election of officers was published in the May issue of *Distribution and Warehousing*, the new president being William A. Sammis, Kansas City.

An interesting development which particularly marked the St. Louis convention was the active part being played by the younger executives. W. Roger Hulett, Columbia, the new vice-president in charge of the furniture section, is



William A. Sammis, Kansas City, the newly-elected president of the Missouri Warehousemen's Association

one of the most youthful officers the association has had. Others active on the program were C. C. Daniel, Jr., son of C. C. Daniel, Sr., of Kansas City; Wilfort Long, St. Louis, and E. G. Brungard, St. Louis.

Henry Richards, representing the mayor of St. Louis, extended a welcome to the delegates. E. Donnell of the Associated Industries of Missouri discussed the laws enacted at the present session of the State Legislature, alluding particularly to the defeat of a Senate measure which would have put warehousemen under Public Service Commission supervision as public carriers. Speaking against too burdensome taxation of motor vehicles, he urged that operators should during the next two years prepare statistics showing the amount of assessments paid to the State. Mr. Donnell suggested that a trucking group be formed within the Associated Industries body—an idea which was endorsed by D. S. Adams, Kansas City, and Fred R. Long, St. Louis, who is president of the merchandise division of the American Warehousemen's Association.

President Groves introduced a Missourian who is general president of the



Some of "Andy" Murray's informal snapshots at the Missouri Warehousemen's Association's convention in April. Left to right, Frank M. Cole, Kansas City; George C. Dintelmann; John A. Groves, Kansas City; Harry C. Herschman, St. Joseph, president of the American Warehousemen's Association; Julian M. Gibson, St. Louis; E. L. Winterman, St. Louis.

Scene at the banquet held in connection with the eighth annual convention of the Missouri Warehousemen's Association, in St. Louis, April 19 and 20



A. W. A.—Harry C. Herschman, St. Joseph.

In his annual report Mr. Groves stressed particular need for cooperation and harmony. "These are days of sharp competitive conditions," he declared. "For your business to be a success you need to study the customer and keep him satisfied, but not at a price below cost." He emphasized the necessity of knowledge of business and said that legislation, both local and State, must be watched, which could be done only through cooperative association activity.

For the membership committee Daniel P. Bray, Kansas City, reported fifty-seven companies actively affiliated with the State organization, together with ten associate firms.

Legislation

Oscar W. Thomas, Kansas City, as chairman of the legislative committee, said he was well satisfied with legislative conditions. It was his opinion that it was easier to defeat bills as they came up than to propose legislation, and he was opposed to going before the State or Federal governments to ask for relief for warehousemen, believing the industry could the better settle its own problems by itself.

A plan for having the Kansas, Oklahoma and Missouri warehousemen hold a joint meeting in Kansas City next fall was discussed, and Mr. Adams moved that the Missouri association call such a gathering. He explained that it was not the purpose, however, to form a regional body. The motion was approved and it was agreed to arrange for the meeting on the third Friday and Saturday of October, probably in Kansas City.

The household goods division, with Howard Lathrop, Kansas City, presid-

ing, held its initial session on the afternoon of the 19th.

W. Lee Orcutt, St. Louis, introduced the subject "Building Sales Organization." Directing his talk largely to the training of solicitors, he said the greatest difficulty was that salesman oversold, making promises which could not be kept. The important thing was for the salesmen to stick to the text, he declared.

In a paper on "Telephone Order Development," F. J. Lewis emphasized the importance of having a telephone operator who was courteous, pleasant and intelligent and with a voice with color and personality, and one who was concise, and who had truthfulness, sincerity, magnetism, loyalty, good will, courage, initiative, dignity, accuracy, earnestness, tact, judgment and thought.

Sales organization was discussed by M. G. McCollum, Kansas City, and co-operation with truck drivers by E. M. Hansen, St. Joseph. "Selling Service" was the subject of a talk by G. C. Dintelmann, St. Louis, the association's secretary. Solicitation was discussed also by A. H. Driemeier, F. E. Orcutt and John Sneed, all of St. Louis. "Reducing and Handling Freight Claims" was touched on in a paper by Fred Speer.

The subject of long distance removals was introduced by Joseph A. Mrazek, St. Louis, who discussed "The Trials and Tribulations of the Long Distance Mover." He stressed the use of the proper equipment and believed that most warehousemen were using wrong-sized tires, declaring many were too small, causing the large percentage of blow-outs.

Henry Reimers said that the warehouseman had more to sell in long distance hauling than in local moving, as he used closed trucks of the latest design, with two men on the job, whereas

the competition used open vehicles each with one man, the latter often inexperienced. The members of the Allied Van Lines, Inc., he declared, had more to sell, thus justifying their higher tariff. He predicted that AVLInc. was going to have some real competition to face, as the competition was gradually working into the hands of experienced operators, but he welcomes that situation preference to having to meet irresponsible competition without cost knowledge.

"Our problem," Mr. Reimers continued, "is to develop real transportation of household goods. Let's get away from the expression 'long distance moving.' What we are trying to do is to get the warehousemen to control the transportation of household goods either by motor or rail."

Rates and Regulation

Rates were discussed and it was the opinion of Mr. Groves and some others that there would never be uniformity of long distance tariffs until the Government told the warehousemen what they must charge; in this connection Mr. Groves alluded to the history of the railroads.

Mr. Reimers pointed out that AVLInc. was trying to profit by the experience of the railroads and it was his opinion that Government regulation of charges was not needed. While it would take time to effect uniforming among the AVLInc. operators, they were coming around to it, he declared, and those who were applying the established AVLInc. rates were now making money.

The merchandise and cold storage divisions, meeting together, spent considerable time discussing a simplified accounting system originated by the Central Storage Co., Kansas City and designated "Distribution of Expenses." This, designed to enable the executive to ar-

What Some of the Delegates Will See Who Attend the Eleventh Annual Convention of the Canadian Storage & Transfermen's Association in Regina, June 13-15

To right, Banff House
and Bow River



Below, center, Bow
River from the Banff
House

Below, the swimming
pool at the Alberta
Chateau, at Lake
Louise



Below, right, Lake
Louise with a back-
ground of the Cana-
dian Rockies



Pictures by courtesy of
Canadian Pacific Rail-
way.

rive at an accurate percentage of over-
head, was discussed at the Los Angeles
convention of the American Warehouse-
men's Association, last January, by Wil-
liam A. Sammis, Kansas City, secretary
of the Central company. At the St.
Louis meeting the divisional members
agreed to use the form and to present
actual figures at the October gathering.

As chairman of the advertising com-
mittee of the A. W. A., D. S. Adams,
Kansas City, explained the American's
national advertising program, declaring
that increased volume of warehousing
business was the solution of the evils
arising out of close competition. He
urged the Missouri members of the
American to sign up for the campaign,
which he said would be started when
\$40,000 had been raised of the initial
\$75,000. Mr. Herschman said every Mis-
souri warehousemen should participate.

It was announced that a new "MoWA"
merchandise rate guide would be ready
soon, founded on the principles of the
Illinois tariff, except that handling tables
would be 16% per cent lower to equalize
the lower labor wage scale in Missouri.

At the closing general session a motion
was introduced by W. Lee Orcutt that a
special committee be appointed to work
in cooperation with the N. F. W. A. in
arranging for jurisdiction by the Na-
tional over the activities of local asso-

ciations. It was brought out that in the
St. Louis local organizations five "black-
balls" instead of majority rule had re-
jected an applicant for membership,
thereby automatically keeping the ap-

A. W. A. Directors to Meet in June

THE directors of the merchan-
dise division and those of the
cold storage division of the Amer-
ican Warehousemen's Association
each will hold an executive meet-
ing in Chicago on June 11.

The general board of the A. W.
A. will assemble in the same city
on June 12.

At the general board meeting it
is expected that a decision may be
reached as to when and where the
next annual convention of the as-
sociation will be held.

plying company out of the N. F. W. A.,
whereas in Mr. Orcutt's opinion united
cooperation was essential to the success
of long distance hauling. Mr. Orcutt's
motion was adopted.

—Marryl Schwind.

Southern W. A.

THE Southern Warehousemen's As-
sociation held its semi-annual meet-
ing at the Henry Grady Hotel in Atlanta on
April 23 and 24. The attendance was
the largest in the organization's history.
The directors met throughout the after-
noon and evening of the 22nd, those pres-
ent being the president, J. L. Wilkin-
son, Charlotte, N. C.; the executive
secretary, Sydney M. Green, Jr., Atlanta;
and H. C. Avery, Jacksonville; R. B.
Young, Savannah; Carl F. Wittichen,
Birmingham; E. C. Lowry and L. G.
Moeller, Montgomery, and F. W. Bruns,
Bessemer, Ala. John J. Woodside, Jr.,
Atlanta, was elected treasurer to suc-
ceed E. M. Bond, Nashville, resigned.

President Wilkinson opened the con-
vention on the 23rd and prayer was of-
fered by the Rev. Ellis Fuller. Follow-
ing reports by officers and committees,
addresses on the industry's conditions
were made by G. L. Sheen, New Orleans;
H. C. Avery, Jacksonville, who empha-
sized lack of uniformity in pool car rates,
and Herbert C. Allen, Asheville, N. C.,
who talked on cooperation.

The members discussed the compiling
of a list of national distributors and the
consensus was that the list should not be
made public to the association's members
but should be kept confidential by the

executive secretary, as a clearing house for rate information.

Henry Reimers, Chicago, executive secretary of the National Furniture Warehousemen's Association, discussed the National's Allied Van Lines, Inc., stating that AVL Inc. now comprised a membership of more than 250 warehouse firms with approximately a hundred modern vans already painted according to AVL Inc's specifications and operating on the roads.

An AVL Inc. southeastern office has been opened under the supervision of the Southern association's executive secretary, Mr. Green, in the Peachtree Arcade, Atlanta, and some of the Southern's members have signed as hauling or non-hauling agents, and it was indicated at the Atlanta meeting that the inter-city hauling agency would be in full swing in the section by the summer or fall.

—J. H. Reed.

New York Port

RAILROAD competition with the public storage industry was the chief subject of discussion at the April meeting of the Warehousemen's Association of the Port of New York, held at the Whitehall Club on the 16th.

"From the standpoint of the warehouseman, and he is not alone in such matters," H. B. Whipple, general manager of the New York Dock Co. and chairman of the committee on railroad practices, said, "the greatest concern today is in the practice of the railroads in furnishing services below cost, and the tendency to expend their terminal activities to induce greater business in competition with other lines. Such practices naturally include storage as one of the principal facilities."

Alluding to pending building construction by the Lehigh Valley, Delaware, Lackawanna & Hudson, Pennsylvania and Hoboken Manufacturers roads within the port, with storage space involved, Mr. Whipple continued:

"It is not only competition with private enterprise but it is competition with other railroads, each one vying with the other in an effort to give the greatest service at the lowest possible charge. Such practices reduce the net earnings of the railroads at the expense of freight rates charged."

Mr. Whipple cited relevant cases now before the Interstate Commerce Commission, and characterized as a grave problem "the practice of the carriers to form subsidiary companies for the purpose of carrying on enterprises outside of the actual transportation field." He went on:

"By such method the carriers are able to get away from the jurisdiction of the Commission. . . . With the erection of piers and warehouses by subsidiary companies it would be difficult if not impossible to get the Commission to take action, unless the carrier involved unduly favored the subsidiary company or the shippers using its facilities.

New Membership Affiliations

American Warehousemen's Association (Merchandise Division)

Almacenes Generales de Deposito,
Guayaquil, Ecuador, S. A.
Columbia Terminals Co., St. Louis.
Hutchinson Bonded Warehouse,
Hutchinson, Kansas.

National Furniture Warehousemen's Association

Merchants Transfer & Storage Co.,
Wichita, Kansas.
W. A. C. Keim, Hamburg, Germany.

Pennsylvania Furniture Warehousemen's Association

O. Deckman & Sons, Carlisle.
Karn's Transfer & Storage Co., Hazleton.

Southern Warehousemen's Association

Bristol Warehouse & Storage Co.,
Bristol, Va.-Tenn.
Frederickson Motor Express Co.,
Charlotte, N. C.
Sanders Transfer & Storage Co.,
Nashville, Tenn.
Walker Storage & Van Co., Jacksonville, Fla.

"As long as the capital invested by the carriers brings them the reasonable return prescribed as such by law, and this is below the return required by private investment in such developments, there is little possibility that the Commission would take active interest in the matter. Whether it would be possible to have an addition to the law to cover the question of subsidiary companies, such as those referred to, so as to make them a part of the jurisdiction of the Commission at all times, is a legal question.

"It does not seem unreasonable that the expenditure of the net income from transportation should be given such supervision. It is unreasonable that the forming of subsidiary companies (and by that we mean the investment in such companies, the furnishing of land or facilities, or the control of them in part or in toto by a carrier) should permit a carrier to do things which induce traffic to use its line, if there is anything unethical in the operation of such companies."

Use and Occupancy Coverage

The insurance committee reported on an extended form of use and occupancy insurance combining rentals and interest in storage contracts with the ordinary form. An abstract of the provisions follows:

"Premiums are based on 75 per cent of the average building fire insurance rates of each building and pier covered, as regards rental insurance; upon the average contents rates each building and pier covered, as regards use and occupancy insurance, and the rate applicable to that part of the policy covering interest in storage contracts is arbitrarily arrived at so as to produce a total premium of $\frac{1}{2}$ 1-2/10 per cent for a three-year term.

"The policy contains the usual 30 per cent co-insurance provisions and con-

forms in other particulars to standard fire insurance policy conditions as regards the use and occupancy and rental features. That part of the policy covering interest in storage contracts was specially negotiated and is to reimburse the insured for monies it might have received for storage on merchandise held upon premises destroyed for period of six months from date of such destruction, provided the destruction is total or results in the removal of the damaged merchandise from the premises.

"The use and occupancy coverage is for the actual loss sustained and consisting of net profits on the business which is thereby prevented, and such fixed charges and expenses pertaining thereto as may necessarily continue during a total or partial suspension of business, as well as such expenses as are necessarily incurred for the purpose of reducing the loss or for such period of time as shall be required to rebuild, repair, or replace.

"Rental insurance is to make good the loss of rents actually sustained during such time as may be necessary to restore the premises to a condition suitable for occupancy."

Rate cutting was discussed and it was voted to create a committee on business ethics.

It was announced that the accident prevention plaque for March had been awarded to the Manhattan Refrigerating Co.

During the roll-call, labor was reported plentiful and of good quality; receipts were in some cases reported as exceeding deliveries but in most instances only equal; collections were fair to good; demand for pier space had improved, and demand for industrial space was reported excellent.

Pacific Coast F. W. A.

ADVERTISING was the theme of discussion at the April meeting of the central and northern division members of the Pacific Coast Furniture Warehousemen's Association, held at the Elks' Club in San Francisco on the 13th, with Herbert Holt, sectional president, in the chair.

A paper on the subject sent by David Bole was read by Harvey B. Lyon, Oakland. In part it reads:

"Advertising is the matter of letting the public know what you have to sell. There are several methods by which this may be accomplished. We in the warehousing business have one of the very best in our moving vans. This constitutes the cheapest medium. To profit from it, the vans always should be in first-class condition.

"The newspapers, magazines, telephone directory, radio, street cars, and other methods, when used with discretion, are all good. Any method used carefully and judiciously will bring results, but of what avail is advertising unless backed by honest, consistent efforts and efficient service?

"We have in our industry, in the conduct of our business, a code of ethics which we all seek to follow and which includes a standard of action in advertising. This section reads:

"Third—To adhere strictly to a policy of truth in advertising and never mislead with dishonest intent, by implication or otherwise, in public or private statements."

"Our business is a specialized one. There are not a great number of us, and it seems to me that if we would play fair with each other we would reap a greater harvest."

"Some of us may wish to carry side lines. Truth is the best side line you can carry. Quoting Coleman Cox: 'You are what others tell others you are, and your business is just what others tell others it is.'"

"In the household column of a last Sunday's newspaper appeared the following:

"If you're planning to move this Spring, try to have the new home clean and as much in order as possible before moving in the furniture. The transfer man then can place the heavy pieces where they are to remain, for the present, at least. This will eliminate much confusion, and if it is possible also to have the window curtains hung before occupying the new place, moving would be almost a joy."

"When people outside of our business are advertising the fact that moving can be made joyous, surely we can do no less."

Mr. Holt discussed various methods of advertising, including trade-mark or slogan, cooperative, motion picture, theater program, donation "ads," booklets, printed matter, courtesy in dealing with the public, and the sides of vans.

Several speakers agreed that advertising in the classified section of the telephone directory may be good, but that its main drawback lies in competition between members as to the size of the advertisements.

Mr. Lyon discussed the value of seasonal cooperative advertising and of placing mottoes, neatly framed, on the sides of vans.

—Clarence Ebey.

New Jersey F. W. A.

THE New Jersey Furniture Warehousemen's Association through its activities has defeated a proposed State law—Assembly Bill No. 430—which would have required the members and other movers to file, in advance, notices of intention to transport goods.

The New Jersey body has succeeded in having killed also a "mystery" automobile license measure under which truck fees would have been increased.

The warehousemen swarmed into Trenton, the State capital, in opposition to the two measures. While there they witnessed the enactment of a bill which gives the State authority to refund the motor vehicle taxes which warehousemen and other truck owners were compelled to pay last year. The refunds are in order now because the New Jersey F.

W. A. went into the courts and succeeded in having the wheel tax declared unconstitutional—a decision which benefited, as well, warehousemen's trucks entering New Jersey from other States. The restitution law affects about 600 firms, who will get back sums ranging from 6 cents to \$75,000.

Detroit

DETROIT'S reputable warehouse and moving companies have long suffered from certain objectionable practices, including misrepresentative and misleading advertising, by less reliable competitors. The latter in some instances have given the public the impression that their advertised prices included full service, whereas such was not the case.

To combat the situation the advertising committee of the Detroit Furniture Warehousemen's Association has suggested a cooperating advertising campaign, probably to include use of newspaper space. The campaign would be of an educational nature and would explain the various phases of the business so that the public should understand in order to judge furniture moving and warehousing service properly. The cost would be borne proportionately by the association's members on an assessment basis.

At the organization's May meeting, at the Hotel Fort Shelby on the 10th, the advertising committee, headed by Charles Breault, was authorized to select an advertising agency and to proceed with plans for a campaign. These to be subject to possible revision before going into effect.

—H. L. Lawson.

Connecticut

GREATLY to the disappointment of the members of the Connecticut Warehousemen's Association the State Legislature allowed to die in committee a lien bill which the storage organization had introduced at the instance of the legislative committee of the National Furniture Warehousemen's Association.

The measure if enacted would have given the Connecticut warehouseman a superior lien on all goods deposited, "or on the proceeds thereof in his hands, for all lawful charges for carting, labor, storage or any work or labor reasonably necessary" for the preservation of the goods and furnished by the warehouseman, "for money advanced, interests, insurance, transportation," etc.

Providence

The Master Movers' Association of Greater Providence, R. I., has launched a newspaper advertising campaign in the name of the organization. Individual member firms are listed, and the appeal in the text is for the public to hire dependable and responsible movers operating at standard rates. One piece of the copy was headed "To Move Safely, Call a Master Mover."

Texas T. O. A.

AT the recent Austin organization meeting of Texas motor truck operators, of whom more than a hundred attended, the Texas Truck Owners' Association was formed—an outcome of a body created provisionally about five months earlier. The new association contemplates an extensive survey of highway finances with the idea of assisting the State authorities in correlating and connecting improved highways. Officers were elected as follows:

President, Don C. Sanders. First vice-president, William T. Wheeler. Second vice-president, J. P. Tarry, president Tarry Warehouse & Storage Co., Wichita Falls. Third vice-president, J. L. Naylor. Treasurer, manager Fort Worth Warehouse & Storage Co., Fort Worth.

Cleveland V. O. A.

AT the annual meeting of the Cleveland Van Owners' Association, held on April 9, officers for the ensuing year were elected as follows:

President, John C. White, president Central Storage Warehouse Co.

Vice-President, W. R. Kissick, secretary Neal Fireproof Storage Co.

Secretary-treasurer, F. F. Reynard, president F. F. Reynard Transfer & Storage Co.

Government Seeks an Assistant Warehouse Superintendent

The United States Civil Service Commission, Washington, D. C., has announced an open competitive examination for an assistant warehouse superintendent, with applications to be filed with the Commission not later than June 26, to fill a vacancy in the extension service of the Department of Agriculture and for duty at the Exhibits Factory Warehouse in Alexandria, Va. Entrance salaries range from \$1,860 to \$2,200 a year, with better positions filled through promotion.

"The duties are under general supervision but upon the employee's own initiative and judgment," the announcement says further. "The duties are to have charge of and be responsible for the warehousing of educational exhibits which include receiving and shipping, checking, packing, trucking and storage in freight and baggage cars so as to ensure safe transportation and delivery at fairs, expositions and other exhibitions throughout the United States; the physical maintenance of exhibits, which involves assembling and fitting together of complex and intricate exhibit structures, electrical and miscellaneous mechanisms, objects and apparatus; to direct a labor force of from four to eight men in the accomplishment of the foregoing; and to perform field assignments at major exhibitions in the installation, maintenance and dismantling of regular and special exhibits and supervision of skilled and ordinary laborers at exhibition points."

Wholesalers Ask for Federal Distribution Cost Studies

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building.

WASHINGTON, May 4.—Establishment by the Department of Commerce of a central control of distribution cost studies, "organized, directed and supervised by the Department," was recommended by the National Wholesale Conference, in session here this week, as the beginning of a solution of the problems of warehousemen and wholesalers in general.

The resolution recommending that the Department be requested to institute such a central control came as the climax of two days of discussion of committee reports. The committees of the conference dealt with diverse subjects, but all emphasized more or less the need for accurate statistics of this kind.

The action of the wholesalers was followed within a few days by the United States Chamber of Commerce, also in session here, which adopted a similar resolution.

Of interest to warehousemen is the definition of a wholesaler adopted by Committee I, of which Arthur P. Williams, president of R. C. Williams and Co., of New York, was chairman. This definition, which was adopted as the groundwork for the further discussion of the wholesalers' functions and services, is as follows:

"It is the wholesalers' function to carry a well selected stock of merchandise, to buy in suitable quantities, to warehouse a reserve stock for retailers within a radius of economical distribution and convenience of service, and to resell in proper units to the retailer as economically as possible. Whether a buyer is a wholesaler or not does not depend upon the quantity he buys. It is not the character of his buying but the character of his selling which marks him as a wholesaler."

Failures Hurt Competition

The report of this committee declares also that "management is realizing more and more the interdependence of all wholesaling agencies and particularly those in similar lines of endeavor. No longer does a wholesaler feel that a competitor's failure is a boon to him. If all wholesalers were more efficient, more goods would pass through wholesale channels."

Other points emphasized were that wholesalers "should remind the retailer that return on capital invested is the true index of achievement, rather than a per cent on volume; that "interpreting consumer acceptance in terms of specific products is responsible for the growth of chain stores"; and that the statistics outlined in the foregoing are vitally needed.

Committee II, which was headed by S. M. Bond, president of Root & McBride, Cleveland, studied the economic factors affecting wholesaling. Improvement in delivery, it said, were being

tried through "(1) Establishment of prices at warehouses, plus actual cost of delivery where delivery is desired; (2) refraining from paying delivery charges outside a profitable area; and (3) pooling deliveries and agreeing upon scheduled deliveries."

The advantages and disadvantages accompanying "hand-to-mouth buying" and group buying were discussed at length, together with their effect on warehousing and wholesaling.

"Wholesalers occupy an unenviable position," it was pointed out, "if syndicates or groups are sold on the same basis as wholesalers, who are obliged to warehouse stocks of the same merchandise for distribution to retailers who have no such connections."

The question of chain store developments, wholesale discounting, the changing effects of chains on warehouse facilities and the future of the chains, also were discussed, with varying opinions being quoted.

Committees III and IV, headed respec-

For Sale:

WELL ETABLISHED transfer and storage business in growing Middle Western City.

Owner wishes to retire and will make attractive deal to right party.

Address Box M-225, care of Distribution and Warehousing, 249 West 39th Street, New York City.

tively by F. C. Caswell, vice-president of the Champion Spark Plug Co., Toledo, and Frank A. Fall of the National Association of Credit Men, New York, discussed business analyses and "credits, sales, terms and collections."

The former committee emphasized the need of accurate information, particularly as to costs of operation, and indicated that even in respect to volume of sales many factors, including warehousing expense, must be analyzed before the wholesaler knows whether his volume of business is profitable.

"Much the same type of examination," it continued, "is a prerequisite of understanding the minimum size of shipments and orders. The practical problem presented is whether the orders and shipments can be revised to accord more exactly with the rate with which the commodity flows into consumption channels."

In regard to credit, the last committee report said that constant adherence to recognized principles was the most important solution to credit difficulties. The need for cooperation between the credit and sales ends of wholesale business, use of cost accounting, concerted efforts to enforce buying terms, and the charging of interest on past-due accounts as a sound principle, were emphasized.

—Russell Smith.

Story of Fred R. Long Told In the Family Album Series

(Concluded from page 22)

Stove Co. Time to come brought shipments of feed, rice, breakfast foods, alfalfa. A modern sprinkler system was installed in the building for the protection of so varied a cargo as was being housed, and many other improvements followed.

Mr. Long has two sons. The elder, Wilfred F. Long, has just joined his father in business after being graduated from the University of Missouri, and attended the recent St. Louis convention of the Missouri Warehousemen's Association. The younger son, fourteen, still is in junior high school.

In the "Who's Who" of St. Louis, Mr. Long is listed as chairman of the board of trustees of the Methodist Episcopal church, president of the St. Louis City Evangelization Union, and a member of the Metropolitan Boys' Work Commission of the Y. M. C. A. For a quarter-century he has been superintendent of the Sunday School of his neighborhood church, and he never fails to ask a blessing at the opening sessions of warehousing conventions. He is a member of various committees of the church federation and is chairman of the boy's work committee of the St. Louis Optimists' Club.

It was last January, at Los Angeles, that Mr. Long was reelected as executive officer of the A. W. A.'s merchandise division. He is an active member of the Missouri Athletic Association and of the Midland Valley Country Club.

Mr. Long is fond of golf and travel. With his family he makes frequent motor trips to Ocean Grove, N. J., and often he spends the summer on an automobile jaunt to Boston or to some point in Maine.

Following ethical practices and serving customers well are his two by-laws for building a business and making it substantial.

George P. McCann Takes Charge of Yonkers Business

Arthur E. Muth, a real estate operator in Yonkers, N. Y., has purchased the Yonkers Storage Warehouses, Inc., Yonkers, for a reported price of \$100,000 and has leased the building to George P. McCann, secretary of McCann's Fireproof Storage Warehouse Co., Inc., Yonkers. Robert Edgar, identified with the Yonkers Storage Warehouses, will operate the business. Both companies are members of the National, New York State and New York Furniture associations.

The Yonkers Storage Warehouses, Inc., was established in 1881 by Edward Underhill, and in 1897 became part of the Edward Underhill Estate, Inc. Arthur D. Underhill, operator of the storage business, died a few months ago.

George P. McCann, who is now operating the business, is a son of the late James McCann, who in 1879 founded the firm which bears his name.

The Family Album Presents Sketch of George H. Chadwick

(Concluded from page 23)

arrangement merchandise is delivered at once to the consignees, with the charges added to the freight bills. Back in the early days when there was only one railroad there was no competition. Now, since the advent of the Canadian National, there is plenty, but Mr. Chadwick declares that fair competition makes business more interesting. That his firm has increased its original equipment of nine teams to seventy-five teams and eighteen trucks would leave one to believe that it is also profitable. The company today has approximately 150 employees on its payroll.

The monarch who cried "My kingdom for a horse!" might well have had in mind one of the equine beauties from the stables of the Manitoba firm. With the Englishman's traditional love of horses, Mr. Chadwick knows every beast owned by his firm. The company's roomy stables house 150 draught mares and geldings—sleek, spirited creatures which can find their own way to their own stalls as though they could read the names and numbers with which the stalls are inscribed.

In the ante room of the barn, where an efficient man presides, is a show case in which is kept the harness worn at the Canadian horse shows by some of these widely celebrated four-footed contestants. The case contains rare examples of the cobbler's art, some of the sets costing as much as \$500 each. Here, too, beneath a framed picture of the Prince of Wales, is a glass case containing the ribbons which the horses have won. One black beauty named Chief, not content with honors in his own land, took the grand championship at the international live stock show in Chicago in 1924.

In addition to its warehouse the Manitoba company not long ago built a \$20,000 garage, but Mr. Chadwick declares that the horses are to stay. Where Winnipeg used to be one vast mud hole, it now has excellent roads, he points out. There is also plenty of room in the city, and this makes horses cheaper on short hauls.

Mr. Chadwick's home is situated near the Provincial Parliament building, on a quiet street which slopes toward the river. He has five children. Like many of his countrymen, he is fond of curling and golf. When he travels, it is chiefly on business. He has been back to England once, but that was about thirty-five years ago. He is a member of the Canadian Club, the Rotary Club, the Board of Trade and the C. P. R. Social Club. At the Montreal convention of the Canadian Warehousemen's National Association a year ago he was chosen president, after having first served as a director and then as vice-president.

The Dominion organization is about to hold its eleventh annual convention. When it was formed, at Saskatoon, Sask., Mr. Chadwick was made a director, and

he recalls that there was difficulty in making headway at first because so little interest was shown in the movement. In recent years, however, the Canadians engaged in the cartage and warehousing business came to realize that the association was benefitting both the individual and the industry as a whole, and the association has now attained a position where it is assured of steady progress.

Charles E. Denny Dies

Charles E. Denny, president of the Denny Motor Transfer Co., operating a household goods and merchandise warehouse business in New Albany, Ind., died in a hospital on April 28 after an operation following an illness of several years. He was a member of the Motor Truck Association of Indiana, Inc.

Mr. Denny invented a rocking footstool which has been extensively sold.

Texas Guinan Out—Chelsea In

THE Chelsea Fireproof Warehouses, Inc., New York, became a beneficiary when a city marshal and his staff, obeying a municipal justice's edict, recently removed all the furniture and paraphernalia of the Intime Club, operated by Texas Guinan, noted night club hostess, from the club's quarters in the Hotel Harding in West 54th Street to the sidewalk. The eviction order had been obtained by the hotel management.

The goods were taken into storage in a warehouse of the Chelsea company on West 26th Street.

Marshal Kennedy, asked what his business was when he entered Texas Guinan's club, was quoted as saying:

"I am probably the last sucker to step in here. I am the marshal. I am going to give the little girl a great big hand."

Westland to Add Wing

Plans for immediate construction of a \$125,000 class A addition to Westland Warehouses, Inc., Los Angeles, have been announced by C. J. Doherty, vice-president and industrial manager of the Central Manufacturing District, where the Westland plant is located.

The new unit, the second since Jan. 1 and the third during the past two years, will be 82 by 120 feet, six stories high, and will contain 59,000 square feet of floor space. Loading platforms will make available 1440 square feet of handling space. A sprinkler system will be served by the district's centrally operated system.

With the completion of this wing, which will cost \$125,000, the Westland structure will contain 366,000 square feet of floor space. There is provision for further expansion and the final building will be 2000 feet in length.

How Warehousing Figures in Hoover Management Survey

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building.

WASHINGTON, D. C., May 13.—Advances in the art of business management in recent years have touched the warehousing trade, and in fact all phases of distribution at many points. The primary influences, however, have probably been exerted in regard to inventory control and methods of wholesaling.

These are some conclusions drawn from the study by Henry Dennison, of the Dennison Manufacturing Co., included in the survey just conducted by the National Bureau of Economic Research for President Hoover's Committee on Recent Economic Changes. Mr. Dennison's subject is management in all its phases, and some of his conclusions are of deep interest to warehousemen.

Following a general discussion of improved methods of management in manufacturing, production, purchasing, etc., Mr. Dennison says of inventory control:

"The shortage of materials during the war and the boom, and their excess during the 1921 depression, both resulted in a great increase of concentration upon inventory control. The wider use of planning and budgeting has since then added its influence.

"Control of raw materials, goods in process, and finished stock, is obtained through a close checking of card records, or the use of maxima and minima, and in some companies is entrusted to an independent stores department, to special committees, or, in a few cases, to the budget department itself.

"This control is not now chiefly for financial reasons but rather more to reduce the risks of depreciation and obsolescence of material, which the lessons of 1921 proved to be considerable, and to save the wastes of carting materials unnecessarily in and out of warehouses, which the more recent studies into production costs have disclosed.

"One of the dramatic developments of the past year or two is to be found in some automobile plants, where the average inventory has actually decreased from several months' to a three or four days' supply. A reserve stock of all materials used in three or four days' production is placed in a convenient warehouse, but daily deliveries from vendors are arranged according to the production schedule.

"Materials are, therefore, planned to be taken directly from the freight cars and placed in the manufacturing departments where they are used, thus eliminating handling and the expense of stores control. Obviously such a tight system can be successfully managed only with very dependable railway freight service and in a business where a large part of production is carried out on a uniform daily schedule."

Mr. Dennison then traces the effect of these advances on the employee, and

(Concluded on page 46)

How Warehousing Figures in Hoover Management Survey

(Concluded from page 45)

passes from that into a survey of sales methods, personnel, costs, and then turns to a discussion of wholesalers, as follows:

"Development in transportation, availability of capital, in advertising, in merchandise, and in chain store and mail order retailing, have combined to change greatly the traditional management problems of the wholesaler—the 'jobber' of former days.

"His markets are not the same, nor is the competition he must meet. Skill in making a good 'trade' is taking second place before skill in a nice fitting of varied means to ends. He is accommodating himself but slowly to these changes; in general it may be said that he has attempted to trade his way out of his troubles. But in February, 1928, a Wholesalers' Conference, held in Washington, sought to stimulate frank analysis, research and constructive action.

"Constructive methods are being tried in a few significant cases. Line analyses have resulted in lessening unprofitable sales pressures and removing slow movers and duplicate items. The Department of Commerce reported one case where 42 per cent of the sales were accountable for 14 per cent of inventory, and 17 per cent of the sales for 49 per cent of the inventory.

"Analysis of sales by regions and delivery costs has resulted in radical revisions of territory. Headway has been made in a few instances, even against the influence of hand-to-mouth buying, in reducing the number of those orders which are so small that merely entering and handling them use up their margin of profit.

"In specific response to the chain store threat, a few wholesalers began, with chosen groups of retailers, to work out experiments in joint and regular buying to save selling and handling cost, and in advisory specialist services for window display, store arrangement, accounting and stock control. During the past three years moves of this sort have spread with great rapidity, especially in groceries and drugs. Group buying by wholesalers themselves has also been started, to enable them to hold their own with chain stores in buying power."

These changes in wholesaling management and in methods of inventory control obviously must exert far-reaching influences on warehousing, as was pointed out at the second Warehousing Conference held here recently, involving speed in handling, development of long-distance hauling, and consequent combinations of warehousemen to meet the combinations in other lines, and similar changes. Mr. Dennison does not go so far as that into the problem, but merely suggests these phases in the treatment from which quotations have been made. In regard to management in general, he concludes:

"The art of management, in almost

all its aspects and activities, turned a corner in 1921. During the up-swing with which the century started, sheer power and drive could win almost every time over finesse. At the turn of the tide, amid the confused cross-currents, more depended upon skillful understandings of the whole situation, and nice adjustment of means to the immediate environment. The art of management today is in large part of the progressive adjustment and integration of conflicting needs, conflicting influences and conflicting purposes. . . .

"The speed at which changes have taken place and taken effect has varied as widely as human nature varies, and has varied, also, with the differences in the pressure of necessity. As a result, the present situation in the business world is more 'spotty' than it perhaps has ever been. Within industries and among industries there is a widespread in methods of management. . . .

"Any step in the direction of progress has so far brought with it an increased complexity; our economic mechanism is now delicate and intricate. During the past generation we have many times found that it pays to get men of better than average intelligence as operators of intricate machines, and to institute careful methods of training for them. We are seeing now more and more clearly that management—the continuous adjustment and steering of our business machinery—demands also its special intelligence and its careful and continuing training."

—Russell Smith.

Hollywood Company Buys Firm in Beverly Hills

Announcement is made by C. E. Toberman, president of the Hollywood Storage Co., Inc., Los Angeles, of the purchase of the Beverly Hills Storage Co., established in Beverly Hills in 1927 in the household goods storage business. The acquired firm had a warehouse containing 45,000 square feet of floor space.

The Hollywood company has taken a time lease on the location at 320 North Camden Avenue, Beverly Hills, and this is the new address of the Beverly Hills firm, formerly at 215 North Canon Drive.

Walter R. Foster has been placed in charge as resident manager.

Boston Port Authority Created

Governor Allen of Massachusetts has signed the Legislature's bill providing for a Boston Port Authority and the statute will become effective in July. The measure had the backing of the city's warehousing fraternity.

J. B. Russell Dies

Joseph B. Russell, for many years identified with the development of Boston's waterfront and warehousing district, died at his home in Santa Barbara, Cal., on April 22. For about half a century he filled various executive offices for the Boston Wharf Co.

Bill Introduced to Set up Federal Farm Warehouses

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building.

WASHINGTON, May 6. — Private warehousemen throughout the United States will be forced to compete to some extent with the Federal Government if Congress adopts a bill recently introduced in the House of Representatives by Congressman Edgar Howard of Nebraska.

The measure provides for the construction and operation of Federal warehouses and their maintenance throughout the country for the reception and storage of farm products, as a measure of "farm relief." The bill is designed to promote the orderly marketing of farm products.

The language of the measure terms the present system of marketing farm products as "disorderly," and declares that such methods should "be done away with."

Under the bill's provisions the Secretary of Agriculture would be authorized to construct, maintain and operate Federal warehouses at strategic localities, and to receive, store, insure, and preserve in good condition all farm products of a lasting character, such as wheat, corn, cotton, rye, oats and barley.

It is further provided that the Secretary of Agriculture shall have the sole power to fix fees to be charged to depositors of grain and cotton in Federal warehouses, together with the fee for issuance of a warehouse receipt for grain or cotton deposited in the warehouses.

The bill would exempt from the provisions and jurisdictions of the Interstate Commerce Act and Interstate Commerce Commission, the Secretary of Agriculture in connection with operating the warehouses. He likewise would not be subject to the provisions of the United States Warehouse Act, as amended.

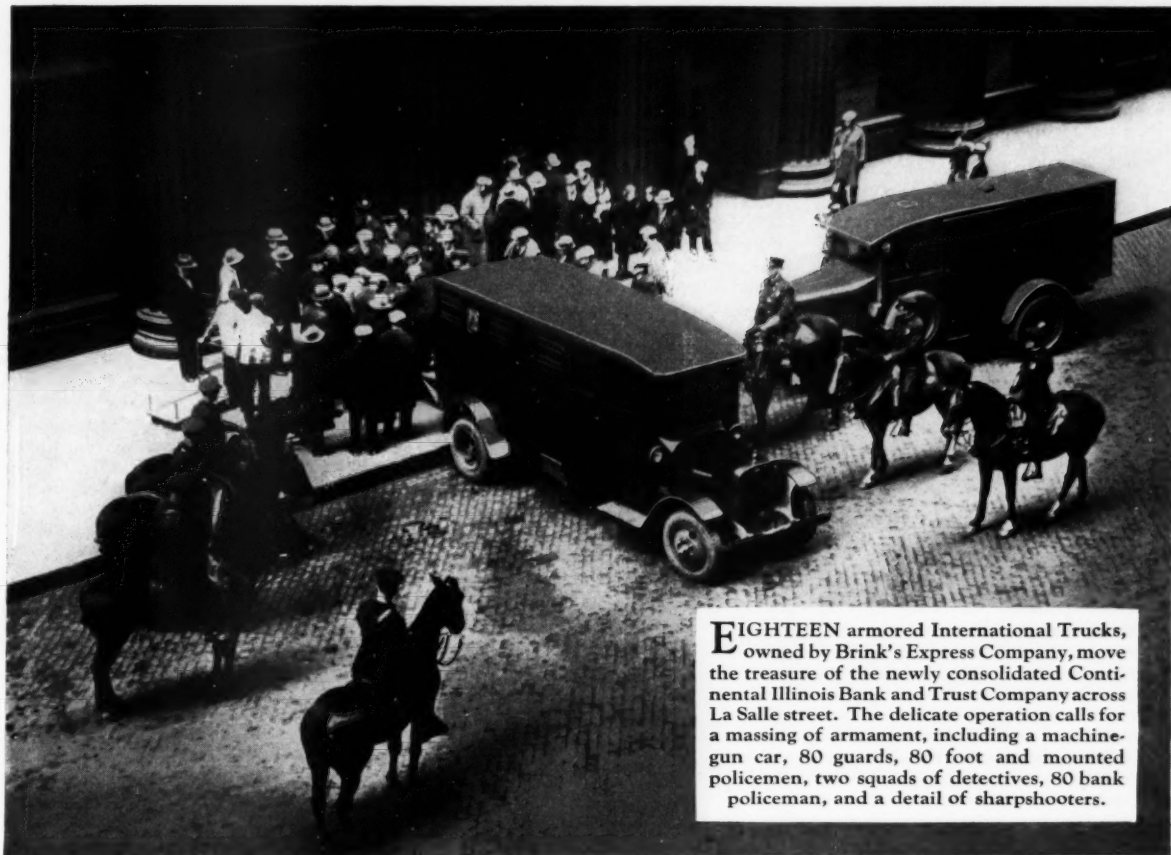
An appropriation of \$42,000,000 for the construction of the warehouses is provided in the bill.

The purpose contemplated by the Howard bill has been indorsed to President Herbert Hoover by Representative Franklin Menges, who told the President that the construction of Federal warehouses throughout the country would be a "far step" in the direction of farm relief.

—Michael M. McNamee, Jr.

Bekins Sponsors Radio Program

A series of half-hour radio programs, starting in April and to be concluded in July, is being carried on by the Bekins Van & Storage Co., operating household goods depositories in Pacific Coast cities. They are in the form of travel sketches, featuring dialogue, sound effects and music, and will conduct a "world tour" by airplane, steamship and rail. Attention is called to the Bekins firm's vacation storage service.



EIGHTEEN armored International Trucks, owned by Brink's Express Company, move the treasure of the newly consolidated Continental Illinois Bank and Trust Company across La Salle street. The delicate operation calls for a massing of armament, including a machine-gun car, 80 guards, 80 foot and mounted policemen, two squads of detectives, 80 bank policeman, and a detail of sharpshooters.

450 Internationals to Brink's —a wonderful story of Co-operation

A fleet of 450 trucks, touching nearly 600 cities — and Brink's do only the emergency servicing themselves. The main job is left to us — *International Harvester has service wherever Brink's have trucks.*

FORTY billions of dollars in money, valuables, and currency — a fabulous volume — traveled in International Trucks last year in the care of Brink's Express Company. Brink's every-day experience with their great fleet of Internationals — they have put 450 of them to work in the past eight years — is a striking example of the after-sale service on which International Truck success is based. *They had to have Internationals to do what they do.*

Brink's Express operates from coast to coast. It has branches in 42 of the largest cities and serves 576 other cities. There is a nation-wide service challenge and it presents no problem to International Harvester.

This Company, through its 152 Company-owned branches, assumes the responsibility of servicing the hundreds of Brink's Internationals. From routine greasing to mechanical maintenance we do the work, mainly at night and with no interruption to the regular schedules. Brink's are thus enabled to function reliably with a minimum investment in service facilities of their own.

Brink's are true to Internationals because International trucks and service are true to them. Owners everywhere report the same co-operation. You will find it the same.

International sizes range from ¾-ton to 5-ton. Ask the nearest branch for a demonstration of any model.

INTERNATIONAL HARVESTER COMPANY

606 So. Michigan Ave. of America Chicago, Illinois
(Incorporated)

INTERNATIONAL TRUCKS

WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

National Tribunal Created by Arbitration Association

SIX thousand leading business and professional men located in 1650 cities and towns in all States were advised on May 14 of the opening of the National Tribunal, in New York, of the American Arbitration Association, of which they are pledged arbitrators.

This non-profit membership organization, functioning to settle commercial disputes without recourse to Court litigation, and with which some of warehousing's trade associations are affiliated, has leased an entire floor in the tower of Fifth Avenue's tallest office building, the Lefcourt National, at 43rd Street. Here will be the clearing house of the country's arbitration tribunals. The address is 521 Fifth Avenue, on the twenty-ninth floor.

This national arbitration system was established at the instance of business men who had found that settlement of local disputes could be effected more speedily, economically and amicably by referring them to expert business judgment for immediate decision and who wished the same facilities made available at other points in the country where they did business.

Accordingly through an arrangement of checked selection the American Arbitration Association sent up the panel of 6000 arbitrators who agreed to serve without pay in conducting arbitrations, realizing that no foundation for lasting commercial peace could be laid without material contribution to it.

In addition to its primary objective—that of supervising the national panel and cooperating with associations which maintain arbitration facilities peculiar to their respective trades—the American Arbitration Association offers appropriate local tribunals in its new headquarters for settlement of disputes which may arise in areas which make a New York hearing expedient.

Trade Bodies Affiliated

Associated with the national body in expanding the facilities for the practice of arbitration are more than 200 of the principal trade and professional associations of the nation. Many of these have been active in the introduction of State legislation to protect the right of business men to make irrevocable any agreement to arbitrate a dispute to arise in the future, as well as submitting any present dispute. When a dispute has been submitted to arbitration, under the most progressive of the State laws, the award of properly constituted arbitrators has the same legal enforceability as a Court judgment.

Headed by President Hoover, the honorary presidents of the association are Newton D. Baker, Charles Evans Hughes, Judge Moses H. Grossman and Charles L. Bernheimer. The vice-presidents are Julius Rosenwald and Henry A. Wheeler of Illinois, Evans Woollen of Indiana, Monte E. Lemann of Louisiana, Charles Nagel of Missouri, John H. Puelicher of Wisconsin, Robert Good-

wyn Rhett of South Carolina, E. G. Van Hoesen of Idaho and Franklin Simon of New York, Lucius R. Eastman, New York, is the association's president.

Progress of Simplification

A total of 102 simplified practice recommendations have been effected by American industries in the cooperative effort to eliminate waste through a reduction in the manufacture of superfluous varieties of staple articles, according to a report covering the activities of the commercial standards group of the Bureau of Standards, United States Department of Commerce, for the first three months of 1929, recently made public by Ray M. Hudson, Assistant Director of the Bureau, in charge of that group.

The report reviews the progress made during the first quarter of 1929. At the end of the first quarter of 1928 industry had developed a total of 85 simplification programs. During the twelve months intervening there was a gain of 14 simplified practice recommendations. Prior to March 30, 1928, a total of 9456 trade associations and firms had signified their support to the various programs. By the first quarter of 1929 this support had increased to 21,543, or a gain of 52 per cent. Seven simplified practice recommendations are in process of acceptance.

In his report Mr. Hudson points out that the Division of Simplified Practice of the Bureau of Standards is the only organization engaged in waste elimination, through simplification and standardization, which makes an annual factual review of the extent of usage of its recommended practices and standards. This permits industry to make any modification necessary to keep the effected program abreast of changes in the art. During the first quarter of 1929 seven simplified practice recommendations were reviewed by their respective standing committees, to ascertain the average degree of support accorded each, which was 79.28 per cent.

Millions in Portraits Removed

Day & Meyer, Murray & Young, Inc., New York, recently transported more than \$1,000,000 worth of historical portraits from New York, Philadelphia and Washington to Richmond, Va., for exhibition.

Many of the paintings are the only ones in existence and could not be measured in dollars and cents.

Another big moving job recently performed by the same firm was the transfer of \$14,000,000 worth of books, prints, engravings and manuscripts for the Rosenbach Company, Philadelphia and New York dealers in antiques and art objects.

The annual Warehouse Directory is the recognized reference book of the industrial sales and traffic manager.

Story of Convention of National Commerce Chamber

(Concluded from page 11)

sentatives at the convention were Wrisley Brown, Washington, D. C.; Elmer Erickson, Chicago, general vice-president of the American Warehousemen's Association; Thomas Gadsden, Chicago; Harry C. Herschman, St. Joseph, Mo., general president of the A. W. A.; F. R. Long, St. Louis, president of the American's merchandise division; J. A. Mooney, Philadelphia; C. Van Wyck Mott and C. W. Pimper, both of Washington, D. C., as delegates of the National Furniture Warehousemen's Association; Gardner Poole, Boston, a past general president of the A. W. A.; Simeon T. Price, Washington, D. C.; J. R. Shoemaker, Elmira, N. Y., president of the New York State Cold Storage Association; Ralph C. Stokell, New York, treasurer of the American's cold storage division, and R. H. Switzler, St. Louis, president of the American Institute of Refrigeration.

The American Institute of Refrigeration held its annual meeting during the week. Mr. Switzler was reelected president.

New Lee Warehouse in New York Is Inspected

About six hundred invitations were sent out by Lee Brothers, Inc., to fellow warehousemen and other friends to attend the informal opening of the company's household goods depository on Riverside Drive at 134th Street on April 23, and judging by the crowd which attended and inspected the new building almost all the bids were accepted.

The structure had been doing business for several weeks, and the celebration marked the completion of the interior decorations and other details and gave the visitors an opportunity to see the finished product. The main office was banked with flowers which had been sent by friends. The company's employees presented a silk American flag and a cluster of American beauty roses.

The plant is somewhat unique in warehouse architecture. From Eleventh Avenue, which is below the level of Riverside Drive, it rises seven floors to the Drive and then another seven stories above the Drive, so that there are entrances on both thoroughfares.

Telegrams of congratulation were received by the company from warehousemen all over the country.

This Lee plant, designed and built by Kingsley Service, Inc., was illustrated and described in *Distribution and Warehousing* some months ago.

"Art of Marking Shipments"

A new pamphlet of interest to warehousemen is "The Art of Marking Shipments," issued by the Marsh Stencil Machine Co., Belleville, Ill. A copy may be obtained by applying to the company.

Outstanding Features of the Chevrolet Six Cylinder Trucks



1 SIX-CYLINDER PERFORMANCE

Powered by a rugged six-cylinder valve-in-head engine—Chevrolet trucks provide remarkable smoothness, flexibility and acceleration—even when hauling a capacity load.

2 AMPLE CAPACITY

A longer, stronger, heavier frame makes possible the mounting of any body type, with loading space up to 9 feet in length and a gross load limit of 7000 lbs.

3 OUTSTANDING ECONOMY

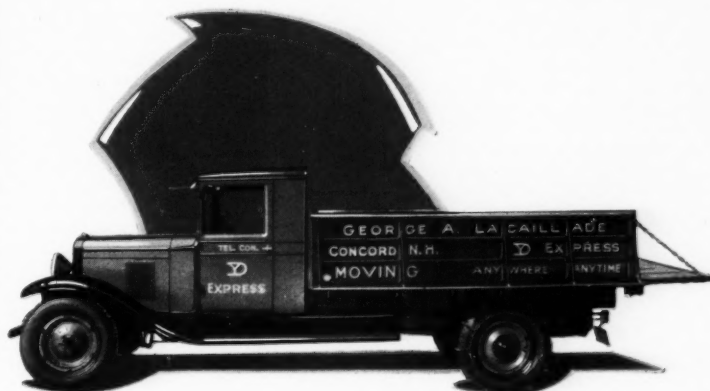
Improved carburetion and a new high-compression, non-detonating cylinder head provide gasoline economy which is actually as great as that of a four-cylinder truck.

4 DAY-AFTER-DAY DEPENDABILITY

Numerous notable mechanical advancements, combined with extraordinary staunchness of construction, make the new Chevrolet six-cylinder trucks unusually dependable.

5 SMART APPEARANCE

A wide array of body types not only meets every haulage and delivery requirement—but provides unusually smart appearance and the utmost convenience.



Warehousemen know—

—that the swift pace of today's traffic conditions demands the increased power, speed, flexibility and acceleration of a six-cylinder engine. And because the new Chevrolet trucks provide this six-cylinder performance with the economy of the four, their popularity is growing by leaps and bounds in every section of the country.

Visit your Chevrolet dealer today and see how completely the new Chevrolet trucks meet the requirements of your business. In performance, in convenience and in handling ease—they will prove a revelation. And they are as economical, both to own and to operate, as any truck you could buy.

CHEVROLET MOTOR COMPANY, DETROIT, MICH.
Division of General Motors Corporation

The Sedan \$595 The Light Delivery Chassis \$400 The 1½ Ton Chassis \$545 The 1½ Ton Chassis with Cab \$650
All prices f. o. b. factory, Flint, Michigan

- A SIX IN THE PRICE RANGE OF THE FOUR

Federal Court Denies an Injunction to Baltimore Co.

AN injunction sought by the Terminal Warehouse Company of Baltimore City, Baltimore, to stay the effectiveness of an Interstate Commerce Commission order abrogating an alleged discriminatory agreement between the storage firm and the Pennsylvania Railroad Co. whereby the carrier absorbed handling charges on freight passing through the warehouse, was denied on May 8 by three judges in the United States Court in Baltimore.

Judge John J. Parker, of the United States Circuit Court of Appeals, and Judges Morris A. Soper and William C. Coleman, both local Federal judges, handed down the opinion after hearing arguments by attorneys on the application for an injunction.

As a result of the ruling the Interstate Commerce Commission's order abolishing allowances and free unloading at the Terminal's warehouse went into effect on May 12. The Pennsylvania Railroad had failed to ask for additional time in which to file new tariffs with the Commission.

The Commission's order was issued after it had received word from Baltimore that the Federal Court had refused to stay its own (the Court's) ruling upholding the Commission, pending an appeal of the case to the United States Supreme Court.

Samuel W. Lippincott, president of the Terminal company, made a statement, following the Federal Court's decision on May 8, in which he indicated that the storage firm probably would not appeal to the United States Supreme Court.

Mr. Lippincott asserted that effective May 12, the date of expiration of the period of grace allowed by the Interstate Commerce Commission, receivers of merchandise would be compelled to pay all unloading charges, including the forty-eight hours' free storage, which for more than thirty-five years the railroads entering Baltimore had been absorbing as part of the freight tariff.

The Pennsylvania Railroad, according to Mr. Lippincott, had "ducked from under" in the litigation, pending for three years past, over the problem of free handling and storage. The carrier, he declared, showed a weakness before the I. C. C. and had not backed up the Terminal company in the way the latter had expected.

The Terminal firm, its president continued, had been carrying the burden of the litigation alone, and, as the Court had decided that his company had been operating in violation of the law, and as the railroads had not seen fit to go along with the Terminal company in an appeal to the United States Supreme Court, he believed it would be folly for his firm to proceed further. He added that the warehouse company would await the filing of new tariff rates by the rail interests and would then decide what should be done.

C. Stewart Henderson, traffic manager

of the Baltimore Chamber of Commerce, which intervened in the proceedings, also declared that the railroad interests had deserted the Terminal company, leaving the latter to fight its own battle in its own way, with the result, Mr. Henderson contended, that Baltimore shippers will be penalized heavily. At the Federal Court's April session, when the case was up on its original appeal from the decision of the Interstate Commerce Commission, Mr. Henderson had estimated the loss to Baltimore interests at approximately \$1,000,000 annually.

The proceedings in Baltimore were on a petition by the Terminal company for an injunction to forbid the Interstate Commerce Commission, pending an appeal to the United States Supreme Court, carrying out its order as of date of May 12. The Federal Court reaffirmed the correctness of its previous decision in terming, as tantamount to a rebate and therefore contrary to law, the absorption of warehouse charges.

Alluding to that part of the petition which declared that the practice was in effect in other cities, including New York, Philadelphia and Washington, and that the carrying out of the Commission's order would place Baltimore at a commercial disadvantage, the Court said that the remedy lay with the Commission and that it was for that body alone to extend the effective date of the order.

"This," the Federal opinion said, "is a matter for the consideration of the Commission, which has the power to forbid such practices and, if it sees fit, to suspend the order in the present case pending investigation of such practices."

The Federal Court at Baltimore was informed that the Interstate Commerce Commission had under way an inquiry into alleged similar conditions in Philadelphia, where, it was reported, an independent warehouse company had petitioned for a hearing on its charge that it was being discriminated against by one of the railroads in a refusal to give to it, the warehouse firm, the same alleged rebate for handling and storing freight.

The McCormick Warehouse Co., Inc., Baltimore, brought the Baltimore situation to the attention of the Interstate Commerce Commission by charging discrimination in that the Pennsylvania Railroad was paying the Terminal company 35 cents a ton, on freight brought to Baltimore, to cover handling and free storage for the forty-eight-hour period. The McCormick company charged that it had been refused similar service and payments.

The Commission, following a hearing, declared that the payments, which were absorbed in the rail freight rates, constituted a rebate and as such were unlawful. An order was issued last November giving the railroad until Feb. 1 to revise its tariff listings and do away with the practice. It was upon that order that the Terminal company appealed to the Federal Court, and the effective date of the Commission's order was deferred until April 12.

(Concluded on page 52)

Leo T. Parker's "From the Legal Viewpoint"

(Concluded from page 32)

"We have no doubt as to the right of the defendant [truck owner] to use skids for the purpose of unloading its trucks, and to obstruct the sidewalk with them temporarily for that purpose. The exercise of that right, however, does not impose upon persons using the highway the duty of looking out for possible obstructions thereto.

"The rule is settled that the traveling public have a right to presume that there is no dangerous impediment in any part of the highway, in the absence of notice of the presence of such impediment. This principle applies to all interferences with safety of travel arising from temporary uses of the highway that are not the normal and permanent incidents thereof, and it relieves persons passing along the highway from any obligation to look for such interferences with travel. If the traveler sees them, he must, of course, use reasonable care to avoid them, but he is not negligent merely because he does not look for them. . . .

"Obviously, the corollary to this rule is that one who, in the exercise of a legal right, temporarily obstructs the free use of a highway owes to the traveling public the duty of warning them of the presence of such obstruction, and failure to perform this duty renders him liable to answer for injuries to others that are the direct and proximate result of the presence of such obstruction."

Windsor to Have New Terminal

At a luncheon given in his honor during his visit to Detroit in May, Sir Henry Thornton, president of the Canadian National Railways, stated that a large cold storage terminal building would be erected in Windsor, Ontario, across the river from Detroit, by the railway system soon. He declined to give further details but said that complete details of the terminal building would be released for publication within sixty days.

Busby Organizes Firm

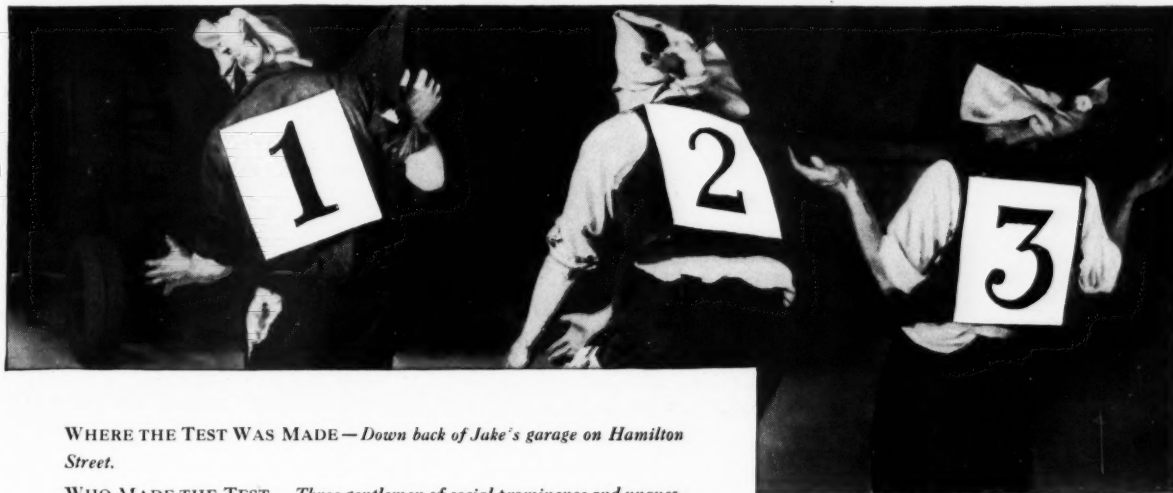
Edward B. Busby, Inc., has been organized by Edward B. Busby, general manager of the Interim Warehouse Co. (formerly the Coe Terminal Warehouse Co.), to handle the activities of the industrial department of the Jennings Ayers Company. The new firm will serve as counsel for manufacturers and distributors.

Thomas L. Wells Dies

Thomas Lawrence Wells, formerly president of the Manhattan Storage & Warehouse Co., New York, died on May 13 at a local sanatorium where he had been an invalid for several years. He was in his sixty-fourth year.

BUDD-MICHELIN DUALS

win in blindfold test!



WHERE THE TEST WAS MADE—Down back of Jake's garage on Hamilton Street.

WHO MADE THE TEST—Three gentlemen of social prominence and unquestionable integrity. . . Mr. William Gizzard, (No. 1)—Mr. Josephus Giblets, (No. 2)—and Mr. Lavin Levinsky, (No. 3).

HOW THE TEST WAS MADE—Three trucks, all on dual wheels were jacked up in the rear. The gentlemen mentioned were blindfolded with heavy burlap sacks, and asked to pick the duals they liked best.

. . . and here are the results
told by the gentlemen themselves!

NO. 1 —I floundered about a bit. Finally I ran smack into a truck. I reached down, grabbed the duals and shook them. They wiggled.

I eased over to the next truck. The duals on that wiggled, too. I felt my way along to the next truck. The duals on that never budged a whisker. So I says to Jake, "I vote for these duals. They've got them self-locking cap-nuts that stay tight from the motion of the wheel." I found out afterward that they were Budd Duals.

William Gizzard

NO. 2 —One of the blankety blank judges tripped me! On my way down I came face to face (Man, Oh Man!) with somebody's duals.

They didn't come off, so I fumbled around to see what the heck was holding them on. My ability to ferret out things told me that each section of that dual was held on by a separate set of cap-nuts—the inside section by one set, and the outside section by another. So I yells out, "I'll pick these duals, Jake. I know 'em! They're Budd Duals cause they've got the double-nut mounting—and there ain't a wobble nor a shimmy in a trainload!"—

Josephus Giblets

NO. 3 —איך זאג די זעלבע זאך, נאך שטארקער

Lavin Levinsky



LIGHT A STOGIE

DRIVE A TRUCK ON BUDD DUALS

. . . and enjoy both!

Federal Court Denies an Injunction to Baltimore Co.

(Concluded from page 50)

On April 10 the Federal Court rendered its decision, and according to Mr. Lippincott the Pennsylvania Railroad filed with the Commission a new tariff schedule which eliminated the rebate feature from its freight rates.

Mr. Lippincott said that it was explained by Pennsylvania Railroad officers that that was done in order to comply with the law. At any rate, the Terminal firm's president declared, the Terminal had been absorbing the 35 cents a ton terminal charges since that time, although the Commission refused to accept the new tariff rates of the carrier for the time being.

It was his understanding, Mr. Lippincott said, that the Baltimore & Ohio and Western Maryland railroads, which have practically the same terminal arrangements as has the Pennsylvania, had already determined to accept the Court's decision as final. He added that under the circumstances he was looking for all the roads entering Baltimore to put into operation new tariff schedules, and that shippers in Baltimore probably would have to absorb these terminal charges, which heretofore were paid by the carrier roads.

Whether the Interstate Commerce Commission will take steps to enforce the same ruling against warehouse allowances and free unloading time in New York, Philadelphia and Washington and other cities where this practice has prevailed, has not been indicated in Baltimore beyond the report reaching there that the Commission has an inquiry under way in Philadelphia.

Federal officials, according to reports in Baltimore, have warned railroads operating terminal warehouses that if they discriminate against privately-operated terminal facilities the ruling handed down in the Baltimore case will be extended to apply elsewhere.

"Rudy" Knipe Is President of a New Firm in New York

Rudolph C. Knipe, Jr., formerly identified with Charles D. Strang, Inc., Brooklyn, as manager, is now president of the Empire Storage Warehouse Co., Inc., with offices at 563 West 59th Street, Manhattan.

The new firm is handling merchandise principally and has already secured some valuable accounts.

Mr. Knipe, who is Mr. Strang's son-in-law, is widely known in athletic circles in Brooklyn. At several of the summer conventions of the National Furniture Warehousemen's Association he pitched for baseball teams representing the Easterners against the Westerners.

Boston Personnel Changes

Changes have been announced in the personnel of the warehouse division of the North Station Industrial Building,

the \$3,000,000 plant which was opened for business in Boston several months ago by George M. McConnell and L. M. Nicolson, Chicago storage executives.

George H. Lovejoy, who was warehouse manager, has been appointed assistant manager and also contact man. In the latter capacity he will meet shippers and will follow the industry's trends through meeting other warehouse executives.

Thomas J. Terry, who was assistant general manager of the Central Storage & Forwarding Co. and the Central Storage Corp., McConnell-Nicolson properties in Chicago, has been appointed warehouse manager at the Boston plant.

H. W. Horton has resigned as assistant warehouse manager in Boston.

Caddo Freight Route Set Up

The Caddo Transfer & Warehouse Co., Inc., Shreveport, La., has established a motor freight line between that city and Natchitoches.

Activities of Executives

In and Out of the Industry

FLOYD L. BATEMAN, Chicago, president of the Trans-Continental Freight Co., was elected president of the Rotary Club of Chicago at the annual meeting in May and also was chosen as a delegate to the International Rotary convention at Dallas, May 27-31. Mr. Bateman is a past president of the National Furniture Warehousemen's Association.

Mrs. Marie M. Bowen, manager of the Tripp Warehouse Co., Indianapolis, was reelected president of the Women's Rotary Club of that city on May 13.

Alfred F. Carbone, formerly with Mills & Hoyer, New York, has been made manager of the export department of the Charles A. Hall Company, Inc., New York and Philadelphia shippers and distributors of pool car household goods shipments and automobiles. Mr. Carbone has for many years been identified with the freight forwarding business.

C. C. Daniel, president of the Central Storage Co., Kansas City, is the author of an article which appeared in the May 4 issue of the *Citizens' League Bulletin*, published locally, explaining the purpose and scope of Kansas City's Central Industrial District. Mr. Daniel is president of the Central Industrial District Association.

Burt R. Gage, manager of the general storage department of the Quincy Market Cold Storage & Warehouse Co., Boston, has been elected a member of the Boston Chamber of Commerce.

Frank E. Kirby, Columbus, manager of the Ohio Association of Commercial Haulers, is recovering from an attack of anthrax.

Dallas and Trinity Firms Merge in the Texas City

THE Dallas Storage & Warehouse Co. and the Trinity Storage Warehouse Co., both in Dallas, Tex., have combined. The new firm is known as the Dallas-Trinity Warehouse Co.

R. E. Abernathy, who was president of the Trinity firm, is president of the new company and in general charge of all its operations.

L. C. Abbott, who was vice-president and general manager of the Dallas company, and Dan D. Rogers, who was its secretary and treasurer, are vice-presidents of the new firm.

The Dallas-Trinity Warehouse Co. will operate a bonded warehouse for the handling of all classes of merchandise and a motor truck service which will include local transfer, household goods removal and inter-city freight lines. The buildings operated by the two firms will for the present be occupied by the new organization and the present personnel will be retained, with "business as usual" at the two locations—1026 Young Street and 3201 Worth Street.

The Dallas Company, according to the 1929 Warehouse Directory, had an investment of \$200,000 and operated a merchandise and household goods warehouse containing 40,000 square feet. The Trinity, established in 1923, had an investment of \$7,500 and operated a merchandise and household goods plant containing 50,000 square feet.

The Dallas company was affiliated with the American, National, Texas and Dallas warehousing trade associations, and the Trinity with the Texas and Dallas organizations.

Schaefer Company to Expand

William H. Schaefer, former executive secretary of the National Furniture Warehousemen's Association, and now president of William H. Schaefer & Son, Inc., Stamford, Conn., has had plans drawn for a five-story branch unit in Portchester, N. Y. It will be on the Boston Post Road.

An addition to the Stamford warehouse will be built also. This will be of reinforced concrete and steel, six stories.

Salt Lake Firm to Build

The Central Warehouse, Salt Lake City, Utah, is planning early construction of a fireproof addition to cost approximately \$400,000. Of concrete construction except for the brick-faced front, the building will be 112 by 54 feet, four stories and mezzanine, fronting Fourth West Street.

There's not another book like the annual Warehouse Directory. It lists all the reliable warehouse firms in the United States and Canada. Consult it—and benefit.



Ten Goodyear Tires carry this truck of Peoria Cartage Company, Peoria, Ill.—experienced users of Goodyear tires.

Different speeds—different tires— but still GOODYEAR Pneumatics

"We have trucks for various kinds of service—fast and heavy inter-city hauling as well as slow heavy city hauling.

"We find the Goodyear WHITE RING Tire in both pneumatic and solid to be the ideal tire for inter-city hauling. For slow heavy hauling the Goodyear REDSEAL has no equal.

"Our trucks operate not only on paved highways and city streets but also on muddy roads in slush, sleet and snow. The traction of the All-Weather Tread not only assures safety in operation, but also reduces our operating costs by giving maximum power per square inch of road contact."

In this letter, the Peoria Cartage Company has

shown the way to get the greatest mileage—the lowest cost per mile—out of Goodyear Tires.

Fit the right tire to each hauling duty.

The tire which can stand passenger car speed may need a different design and different compounds from the tire for service on city streets. One truck may need pneumatics—another solid cushions of rubber.

Whatever the need—Goodyear Truck Tire Service Station Dealers are equipped to fill it. And no other dealers can supply the powerful, gripping traction which you get from the All-Weather Tread. Call on Goodyear for recommendations, before you buy your next truck tires.

More Tons Are Hauled on Goodyears Than on Any Other Tires



Copyright 1929, by The Goodyear Tire & Rubber Co., Inc.

WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

Construction, Removals, Purchases and Changes

Alabama

BIRMINGHAM—Wittichen Transfer & Warehouse Co. has awarded a contract for a \$25,000 one-story warehouse, 100 by 140 feet, at Avenue B and 16th Street.

Sheffield—A. G. Milam Transfer & Storage has applied to the State Public Service Commission for permission to operate motor freight lines to Decatur and Russellville.

Arkansas

Little Rock—Merchants Transfer & Warehouse Co. has filed plans for a \$21,000 one-story building, on West Washington Avenue, for general operating and garage service.

California

Los Angeles—H. G. Chaffee Warehouse Co. has applied to the State Railroad Commission for authority to execute a note and mortgage for \$66,500 on its warehouse property.

Los Angeles—Hill Brothers Storage & Moving Co. is erecting a \$150,000 six-story and basement warehouse, 60 by 120 feet, on Hyperion Street.

Los Angeles—Los Angeles Compress & Warehouse Co. has leased additional land at San Pedro Harbor and plans erection of a \$300,000 multi-story warehouse for cotton service.

San Bernardino—Southwest Storage Co., Inc., has been authorized by the State Railroad Commission to sell its warehouse properties to the Associated Telephone Co. for \$17,000.

San Francisco—Growers' Refrigeration Co. has been authorized by the State Railroad Commission to issue and sell \$48,000 of capital stock to finance operation of a cold storage warehouse on Oregon Street near Front Street.

Florida

Lake Worth—Southeastern Ice & Cold Storage Co. will spend \$70,000 extending and improving its cold storage warehousing and ice facilities.

Georgia

Atlanta—Nashville, Chattanooga & St. Louis Railway Co. is considering construction of a \$500,000 multi-story warehouse for dry and cold storage service on the site of the old Union depot.

Idaho

Idaho Falls—Idaho Falls Cold Storage Co. is having plans drawn for a \$50,000 one-story cold storage warehouse and ice plant.

Illinois

Chicago—Chicago Transfer Co. has leased and will occupy part of a building at Washington Boulevard and Talman Avenue.

Chicago—Fogel Warehouse Co. is erecting a \$100,000 four-story and basement warehouse, 100 by 250 feet, at Division and Hickory Streets.

Chicago—Midland Warehouse & Transfer Co. has awarded a contract

for extensions and improvements, including interior remodeling, estimated to cost \$230,000.

Ottawa—Chicago, Rock Island & Pacific Railroad Co. is reported to be planning a \$60,000 warehouse and freight building.

Indiana

Indianapolis—Shank Fireproof Storage Co. recently celebrated the fourth anniversary of the opening of its warehouse at 1432 North Illinois Street.

Kentucky

Covington—Chesapeake & Ohio Railroad Co. has awarded a contract for a \$100,000 warehouse and freight building.

Massachusetts

Cambridge—Beacon Warehousing Trust Co., Boston, is erecting a \$25,000 one-story warehouse on Sidney Street, Cambridge.

Lowell—Daniel Gage Ice Co. has plans for a \$70,000 two-story cold storage warehouse and ice plant, 60 by 150 feet, on Pawtucket Street.

New Bedford—Interstate Trucking Co. and Hemingway Brothers have arranged for consolidation and will maintain a fleet of fifty motor trucks.

Mississippi

Hattiesburg—Mississippi Central Railroad Co. is considering rebuilding its warehouse recently wrecked by fire with an estimated loss of \$25,000.

Missouri

St. Louis—Chicago, Burlington & Quincy Railroad Co. will erect a \$400,000 warehouse and grain elevator at the foot of East Grand Avenue.

Nebraska

Omaha—Chicago, Rock Island & Pacific Railroad Co. is completing plans for a \$200,000 one-story and two-story warehouse and freight building at 16th and St. Nicholas Streets.

New Jersey

Dover—Brown's Storage Co., Inc., is the newly-incorporated name of Brown's Model Storage Warehouse.

Highland Park—Freedman Express Service, New Brunswick, has taken out a permit to build a \$70,000 one-story warehouse, 75 by 100 feet, at Raritan Avenue and Second Street, Highland Park.

Jersey City—Erie Railroad Co. is planning construction of a \$20,000,000 warehousing and freight terminal. A contract for the initial \$5,000,000 worth of units has been let.

New York

Brooklyn—Forty-First Street Holding Corp. has authorized plans for a \$50,000 two-story storage and industrial warehouse, 80 by 100 feet, at 41st Street and Second Ave.

Buffalo—Cleveland & Buffalo Transit Co. has established a store-door pick-up and delivery service in connection with its motor freight and navigation lines.

(Concluded on page 56)

New Incorporations Within the Industry

California

LOS ANGELES—Bekins Van & Storage warehousing and van service. Capital, \$500,000. Company will take over and expand the Bekins depositories in Los Angeles, San Francisco and other Pacific Coast cities. Incorporators, Milo W. Bekins, W. E. Burke, N. B. Wallace, all of Los Angeles, and Homer N. Duffy, Santa Barbara.

Connecticut

Bridgeport—Bridgeport Terminal Co. Terminal warehousing. Capital, \$100,000. Principal incorporator, Jonathan Grout, Fairfield.

Hartford—Happy Haul Transfer (organized). John P. King and Nicholas Allegretta are behind the company.

Illinois

Chicago—A. B. C. Furniture & Storage Co. has decreased its capital stock to \$50,000 from \$1,000,000.

Chicago—Association Northern Indiana Truck Lines. Trucking and express. Nominal capital, \$3,000. Incorporators, W. C. Smith and E. S. Galahan.

Chicago—Grant's Active Moving & Express Co. Storage, cartage and shipping. Capital, \$25,000. Incorporators, F. L. Wheeler, F. L. Padden and Thomas Grant.

Chicago—Quick Service Express Co., East Chicago. Storage, draying, hauling, trucking and teaming. Capital stock, \$10,000. Incorporators, Charles W. Haight, Blanche D. Haight and William H. Haight.

Glen Ellyn—Plane Storage & Transfer Co., Inc. General warehousing. Capital, \$12,000. Incorporators, James L. Plane, Douglas J. Leyden and C. J. Henneke.

Mattoon—Hayes Transfer & Storage Co. has arranged for an increase in capital stock to \$80,000, for expansion purposes.

Winnetka—Scully Storage & Transfer Co. Storage and transfer business. Capital, \$20,000. Incorporators, Robert J. Scully and Bernard J. Schildgen.

Indiana

Booneville—Booneville Ice & Storage Co. Cold storage warehousing. Capital, \$25,000. Incorporators, William S. Hatfield, Walter F. Huthsteiner and Edward Huthsteiner.

Fort Wayne—Fort Wayne Warehouse & Motor Distributing Corporation. To own and operate terminals and warehouses. Capital stock, \$5,000. Incorporators, D. F. Teepie, G. E. Williams, J. E. Rippey, J. R. Mitchell, J. H. Lamson, Glenn Hackett, H. E. Bussard, R. R. Drake, J. Krauter and Alfred Andres.

Terre Haute—A. L. Assembling Corporation. Warehousing, storage, manufacturing, assembling, purchasing and selling of furniture, parts and wood products. Capital, 1500 shares of no par value common and \$15,000 preferred

(Concluded on page 56)



Dear Henry:-

Thanks for your check. When we made that bet I must admit that I had my own doubts about the Atlanta plant panning out. The figures looked too good, even when the engineers got through with them.

For one thing, I didn't believe labor could work the way these boys do down here. We certainly couldn't get the production per man in the old town—and I know you don't get it at your plant. Say what you please about melting pots, the good old Anglo-Saxon race sure knows how to give work for wages.

You'd drop dead if I showed you how much we saved in production costs last year. Our raw stock comes from about fifty miles away, most of it, and costs less in the first place. I'm paying a lot less for power. My tax bill dropped away down. And I saved 29% in building my plant because you have very little winter to figure on here, and building costs are lower anyway.

But the best thing of all was the response we got from the trade. We've always thought we were getting our fair share of Southern business, so we were all startled by the gains we made in this territory. The trade down here is buying hand-to-mouth the same as they are everywhere, and our customers were simply sending most of their business to folks with local stocks. When we were able to serve them out of the Atlanta plant, they bought . . .

that's the whole story. It pulled up our volume from the South 43.9% the first year.

And talk about service to your trade, Henry! This town has fifteen main railroad lines. I figured the rail time to my principal cities from here, and from each of those cities to each of the others, and the average in favor of Atlanta is hours quicker. What's more, I can set a rush order down in New York, Chicago, St. Louis and intermediate points, in a few hours by air mail from here, because this is the Southern air hub as it always has been the railroad center.

The only fly in the ointment is that you and Anne aren't down here, too. Coming home after a session of golf a couple of months ago (Yes, just about the time you were fighting snow-drifts!) I got the notion to look into the figures on your business. The Industrial Bureau made a little survey* for me, and I had Joe—you re-

member Joe, my production wizard?—check them over, so I know they're right. And I'm sending them to you, along with an airplane picture of a site that was just made for your plant.

Helen says she's writing Anne about the fine folks in this town, and the bully crowd of friends we've gathered since we came, in the hope that she'll talk you into getting out of the old town. We both feel that running a plant here, with conditions what they are, will take about ten years off your age, and a dozen wrinkles off that noble brow of yours.

Anyhow, throw a toothbrush in your bag, you and Anne, and come down for a visit. We'll show you some swell golf (I'm getting good, playing all year, so brush up!), some swell times—and how to make a lot more money with a lot less grief.

Yours as ever,

Bob



Send For
This Booklet!

It contains the fundamental facts about Atlanta as a location for your Southern branch.

*The Atlanta Industrial Bureau is ready to make a thorough survey of conditions here as they affect your business. Without charge or obligation, and in the strictest confidence, a detailed report will be laid on your desk if you will write

INDUSTRIAL BUREAU, CHAMBER OF COMMERCE,
984 Chamber of Commerce Building.

ATLANTA

Industrial Headquarters of the South.



WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

Construction, Removals, Purchases and Changes

(Concluded from page 54)

New York City—Byrnes & Lowery, foreign freight and express forwarders, have removed to 116 Broad Street from 25 Beaver Street.

New York City—Claremont Storage Warehouse and Gerosa Haulage & Warehouse Co., affiliated firms, have filed notices of dissolution under State laws.

New York City—Columbia Storage Warehouse has awarded a contract for expenditure of \$125,000 extending and improving its six-story warehouse at 56-62 West 67th Street.

New York City—New York Central Railroad Co. expects to complete by Oct. 1 a \$730,000 automobile storage warehouse at 127 Marble Hill Avenue, the Bronx.

New York City—Republic Storage Co. has taken over under a three-year lease from the New York State Realty & Terminal Co. the five-story warehouse at 519-523 West 34th St.

North Carolina

Asheville—Asheville Transfer & Storage Co. will occupy about Aug. 15 a three-story warehouse, 50 by 100 feet, being erected at 192-194 Coxie Avenue.

North Dakota

Fargo—Kedney Warehouse Co., Inc., Minneapolis, has approved plans for a \$160,000 five-story warehouse in Fargo.

Grand Forks—Pacific Fruit Express Co. is said to be planning a \$60,000 storage and icing plant in the Great Northern Railroad yards.

Ohio

Cleveland—Nickel Plate Development Co. has awarded a contract for a \$150,000 two-story warehouse and freight building, 50 by 260 feet.

Toledo—Hocking Valley Railroad has plans for a \$20,000,000 freight terminal to include warehouses, docks, elevators and other units.

Pennsylvania

Philadelphia—National Freight & Delivery Co. has taken over under lease the building at 345-347 North Third Street and will occupy for expansion of its package express service.

Philadelphia—Pennsylvania Railroad Co. has awarded a general contract for a \$2,500,000 seven-story warehouse and freight terminal, 184 by 480 feet, on 32nd Street near Walnut Street.

Philadelphia—Philadelphia Warehousing & Cold Storage Co. has reelected all the directors except Charles F. Calwell, retired, and the late Charles Quinby. The by-laws were amended to provide for seven instead of nine board members.

York—York Motor Express Co. has approved plans for a \$20,000 one-story warehouse and freight building, 75 by 85 feet.

South Carolina

Columbia—Carolina Bonded Storage Co. is the new name of the Palmetto Compress & Warehouse Co.

Tennessee

Memphis—Union Compress & Warehouse Co. is consolidating with the El Paso Compress & Fumigation Co. under the Union's name.

Texas

El Paso—See Memphis, Tenn.

Fort Worth—Texas & Pacific Railroad has authorized plans for expenditure of about \$2,500,000 for two large warehouse and freight terminals.

Galveston—Galveston Wharf Co. plans to spend \$1,000,000 extending and improving its terminal buildings.

Virginia

Danville—Danville Warehouse Co. has awarded a contract for a \$60,000 warehouse, 190 by 340 feet, at Craighead and Bridge Streets, involving rebuilding of a plant recently wrecked by fire.

Wisconsin

Milwaukee—Board of Harbor Commissioners plans to spend \$2,000,000 for a three-story warehouse in connection with the new shipping and distribution pier at the foot of Wisconsin Avenue.

New Incorporations

Within the Industry

Pennsylvania

Pittsburgh—Glassport Terminal Warehouse Co. Capitalization, \$150,000. Representative, G. E. Kelly, Cincinnati.

Rhode Island

Newport—Short Line Motor Freight, Inc. Capital, 620 shares of no par value stock. Incorporators, William A. Peckham, Clark Burdick and Edward J. Corcoran.

Providence—N. E. Ice Co. Cold storage warehousing. Capital, \$250,000. Incorporators, Ernest A. Jenckes, Francis LaFrance and Harold W. Thatcher.

Tennessee

Nashville—Walker Ice Co. Cold storage warehouse and ice plant. Capital, \$15,000. Incorporators, J. L. Oliver and R. B. Roberts.

Texas

Amarillo—Amarillo Truck Terminal, Inc. Warehousing and trucking service. Capital, \$7,500. Incorporators, Charles G. Espy, F. E. Wallace and Charles A. Gilkison.

Mason—Mason Motor Truck Lines, Inc. Transfer and hauling. Capital, \$10,000. Incorporators, J. J. Johnson, A. Johnson and L. C. Brown.

Wisconsin

Beloit—Beloit Fireproof Storage (organized), 1215 Wisconsin Avenue. Furniture and merchandise storage and local and long distance hauling. Proprietor, Peter Christofferson.

La Crosse—Gateway City Transfer Co. Transfer and trucking. Capital, \$50,000. Incorporators, M. P. Murphy, W. L. Murphy and J. H. Wagner.

New Incorporations

Within the Industry

(Concluded from page 54)

stock. Incorporators, Lee C. Davis, Howard T. Davis and William H. Cook.

Kentucky

Somerset—Kenwick Transfer Co. Capital, \$5,000. Incorporators, John W. Bobbitt, Walter Bobbitt and Ernest Gilliland.

Louisiana

Gonzales—Gonzales Ice Co., Inc. Cold storage warehouse and ice plant. Capital, \$20,000. Principal incorporator, Alexander Jeffrey.

Massachusetts

Springfield—Sanitary Ice Corp. Cold storage warehouse and ice plant. Capital, \$100,000. George B. Philhower is president and treasurer.

New Jersey

Newark—The Warehousing Corporation. Capital, \$50,000.

Ridgefield Park—Braun Motor Haulage, Inc. Capital, \$125,000. Incorporators, Ralph W. Emerson, Sydney V. Stoldt and Frank A. Morrison.

New York

Brooklyn—Fort Hamilton Motor Haulage Corp. Capital, 200 shares of no par value stock. Principal incorporator, H. F. Spellman.

Buffalo—Superior Forwarding Co. Warehousing. Capital, \$100,000 preferred and 1000 shares of common stock.

New York City—Bridge Warehouse Co. Capital, \$20,000.

New York City—Heermance Storage & Refrigerating Co. has arranged for an increase in capital to \$600,000 from \$250,000, for general expansion.

New York City—Kingsbridge Auto Storage & Warehouse Co. Capital, \$50,000.

New York City—Martin Weissberger's First Avenue Moving & Storage Warehouse. Warehouse and moving service. Nominal capital, \$1,000.

New York City—Tiffany Fireproof Warehouse, Inc. Warehouse and express service. Capital, 200 shares of no par value stock.

Syracuse—Central City Warehouse. Capital, \$25,000 preferred and 250 shares of common stock.

Ohio

Cincinnati—Cincinnati & Louisville Motor Delivery, Inc. Transfer and express. Capital, \$5,000. Incorporators, L. M. Krout and R. N. Gorman.

Cleveland—N. & B. Trucking Co. Storage and haulage. Capital, \$5,000. Incorporators, E. Kennedy, A. C. Wirthheim and J. E. Elder.

Delaware—Red Ball Transit Co. General transfer business. Capital, three shares of no par value stock. Incorporators, A. J. Arehart, Christine Arehart and Clyde Arehart.

Salem—Yeager Trucking Co. Storage and trucking. Capital, \$25,000. Incorporators, R. C. Yeager, H. L. McCarthy and M. E. Grove.